SOUTH CAROLINA.

Thomas Tolbert to be postmaster at Abbeville, in the county of Abbeville and State of South Carolina, in place of Robert S. Link. Incumbent's commission expired February 10, 1906.

SOUTH DAKOTA.

John F. Reid to be postmaster at Elk Point, in the county of Union and State of South Dakota, in place of John F. Reid. Incumbent's commission expired January 21, 1906.

TENNESSEE.

Roy P. Smith to be postmaster at Clarksville, in the county of Montgomery and State of Tennessee, in place of Robert C. Wilcox. Incumbent's commission expired February 7, 1906.

George T. Taylor to be postmaster at Union City, in the county of Obion and State of Tennessee, in place of George T. Taylor. Incumbent's commission expired March 13, 1906.

TEXAS.

Jeff D. Burns to be postmaster at Tyler, in the county of Smith and State of Texas, in place of Jeff D. Burns. Incumbent's commission expires June 27, 1906.

Robert E. Hannay to be postmaster at Hempstead, in the county of Waller and State of Texas, in place of Harry W. Rankin. Incumbent's commisson expired February 17, 1906.

Samuel E. Morris to be postmaster at Carthage, in the county of Panola and State of Texas, in place of Annie L. Pool. Incumbent's commission expires June 30, 1906.

Hal Singleton to be postmaster at Jefferson, in the county of Marion and State of Texas, in place of Hal Singleton. Incumbent's commission expires June 27, 1906.

Henry O. Wilson to be postmaster at Marshall, in the county of Harrison and State of Texas, in place of Henry O. Wilson. Incumbent's commission expired May 19, 1906.

VIRGINIA.

McClung Patton to be postmaster at Lexington, in the county of Rockbridge and State of Virginia, in place of McClung Patton. Incumbent's commission expired June 24, 1906.

WEST VIRGINIA.

William B. Hensel to be postmaster at Gary, in the county of McDowell and State of West Virginia. Office became Presidential January 1, 1906.

WITHDRAWALS.

Executive nominations withdrawn from the Senate June 27, 1906.

Archie Jones to be postmaster at Chincoteague Island, in the State of Virginia.

Lieut. Commander John H. Shipley to be a commander in the Navy from the 12th day of June, 1906, vice Commander Sidney A. Staunton, promoted.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 27, 1906.

CONSUL.

George B. McGoogan, of Indiana, to be consul of the United States of class 9 at La Paz, Mexico.

DISTRICT JUDGE.

Charles M. Hough, of New York, to be United States district judge for the southern district of New York. An original appointment under the provisions of the act approved May 26, 1906.

SURVEYOR-GENERAL OF MONTANA.

John Frank Cone, of Hamilton, Mont., to be surveyor-general of Montana.

REGISTERS OF LAND OFFICES.

George W. Wilson, of Minot, N. Dak., to be register of the land office at Williston, N. Dak.

Clarence C. Schuyler, of North Dakota, to be register of the land office at Fargo, N. Dak.

Daniel Arms, of Montana, to be register of the land office at Missoula, Mont., to take effect July 18, 1906.

MARSHAL.

C. G. Brewster, of Texas, to be United States marshal for the southern district of Texas.

RECEIVERS OF PUBLIC MONEYS.

Edward A. Winstanley, of Montana, to be receiver of public moneys at Missoula, Mont.

Judson J. Jordan, of North Dakota, to be receiver of public moneys at Fargo, N. Dak.

Victor Chaffee, of Grand Forks, N. Dak., to be receiver of public moneys at Williston, N. Dak.

APPRAISER OF MERCHANDISE.

Edward S. Fowler, of New York, to be appraiser of merchandise in the district of New York, in the State of New York.

INDIAN AGENT.

Samuel G. Reynolds, of Montana, to be agent for the Indians of the Crow Agency in Montana.

POSTMASTERS.

NEW YORK.

George B. Harwood to be postmaster at Skaneateles, in the county of Onondaga and State of New York.

NEW MEXICO.

Henry H. Carter to be postmaster at Lascruces, in the Territory of New Mexico.

Harry Hamilton to be postmaster at Artesia, in the Territory of New Mexico.

John M. Wiley to be postmaster at Silver City, in the Tertory of New Mexico.

VIRGINIA.

L. G. Funkhouser to be postmaster at Roanoke, in the county of Roanoke and State of Virginia.

NEVADA.

Walter R. Bracken to be postmaster at Las Vegas, Lincoln County, Nev.

PENNSYLVANIA.

David A. Templeton to be postmaster at Washington, Washington County, Pa.

W. L. Couger to be postmaster at Danville, Montour County, Pa.

William A. Boyd to be postmaster at Mars, Butler County, Pa.

ACT AND PROTOCOL AT ALGECIRAS, SPAIN.

June 27, 1906. The injunction of secrecy was removed from the general act and an additional protocol signed on April 7, 1906, by the delegates of the powers represented at the conference which met at Algeciras, Spain, to consider Moroccan affairs. (Ex. J., 59th Cong., 1st sess.)

INTERNATIONAL INSTITUTE OF AGRICULTURE.

June 27, 1906. The injunction of secrecy was removed from a convention signed at Rome on June 7, 1906, by the delegates of the various powers for the creation of an international institute of agriculture, having its seat at Rome. (Ex. L., 59th Cong., 1st sess.)

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *June 27, 1906.*

The House met at 11 o'clock a. m.

Prayer by the Chaplain, Rev. HENRY N. COUDEN, D. D.

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

EVENING SESSION.

Mr. PAYNE. Mr. Speaker, I ask that the House take a recess this evening not later than 6 o'clock, until 8 o'clock, to consider the bill H. R. 19750, under an order exactly in terms with the order for last night.

The SPEAKER. The gentleman from New York asks unanimous consent that the House take a recess at 6 o'clock——

Mr. BARTLETT. Not later than 6 o'clock.

The SPEAKER. Not later than 6 o'clock, until 8 o'clock, and that the evening session be held from 8 until not later than 11.

Mr. PAYNE. Under the same terms as the order for last night.

The SPEAKER. Under the same terms as the order of yesterday.

Mr. WILLIAMS. Mr. Speaker, I am sorry to say that there was some little dispute last night as to what the terms of the agreement were. The usual course in matters of this kind has been to put the time under the control of the chairman of the committee having the bill under its charge and the senior member of the other party on the committee, and let them divide the time, the time to be equally divided between the two parties. Now, last night again there was some little friction, which was totally unnecessary, because it was not, or seemed not to be, clearly understood that the time was to be equally divided between the two parties; and I would suggest to the gentleman, as an addendum to his request, this: That the time be equally divided between the two parties, the time upon that side of the Chamber to be controlled by the gentleman from New York [Mr. PAYNE], as chairman of the committee, and the time on this side to be under my control, as senior Democratic member on the committee.

Mr. PAYNE. Mr. Speaker, I feel unwilling to consent to that. I do not like the idea at all of the chairman of the committee and a member of the minority controlling the time on one side of the House or the other. It leads to long yielding out of time, and adds to the debate. The friction last night arose out of the fact that the gentleman's side had thirty-five minutes more of general debate in the afternoon than this side of this House, and from no other cause. The gentleman ought to be satisfied, as long as his side has half of the time, while we have 100 more Members on our side than he has on his, and I would not like to make any agreement to that effect.

Mr. WILLIAMS. Mr. Speaker, I have never heard yet that the fact that one side had 100 more Members than another had ever been thought of as a reason why debate should be unequally divided. The gentleman is correct in this, that we had yesterday during the daytime from twenty-five to thirty minutes' advantage in the time of debate.

Mr. BURLESON. They had their time, if they had wanted to occupy it.

Mr. WILLIAMS. True, because the order of the House was that this side should have an hour and that side have an hour; and that side did not use its hour. That was not our fault. But notwithstanding that, I am perfectly willing, to-day, during the day, that that side shall have its twenty-five or thirty minutes additional to make up, because I want to do the square thing.

Mr. PAYNE. The gentleman knows that is impracticable.

Mr. WILLIAMS. I know no such thing. I know the contrary. But I do want it understood that at the night session the time is to be equally divided between the two parties, so that when we object to a Republican taking up more than half of the entire time of the night, the right to object shall not again be questioned, nor our motive questioned.

The SPEAKER. Will the gentleman from New York restate his proposition?

Mr. PAYNE. My proposition is that to-night, not later than 6 o'clock, the House take a recess until 8 o'clock for general debate only, the session to hold not later than 11 o'clock.

The SPEAKER. Is their objection?

Mr. WILLIAMS. Mr. Speaker, I wish to amend the request for unanimous consent by asking that in addition to that this be submitted to the House: "The time to be equally divided between the two parties."

The SPEAKER. Does the gentleman from New York modify his request?

Mr. PAYNE. I do not, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. WILLIAMS. Mr. Speaker, I do not see how I can help objecting unless it is agreed that the time shall be equally divided.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. PARKINSON, its reading clerk, announced that the Senate had passed bills and joint resolution of the following titles; in which the concurrence of the House of Representatives was requested:

S. 158. An act granting an increase of pension to John Ard Gordon;

S. 940. An act granting an increase of pension to Antonette Stewart;

S. 6062. An act granting a pension to Mary Haney;

S. 6422. An act granting an increase of pension to John L. Wells;

S. 6521. An act granting a pension to Abbie J. Daniels;

S. R. 70. Joint resolution providing for the improvement of a certain portion of the Mississippi River; and

S. 1343. An act for the relief of Wells C. McCool;

The message also announced that the Senate had excused Mr. PATTERSON from further service on the committee of conference on the bill (S. 2188) granting to the city of Durango, in the State of Colorado, certain lands therein described for water reservoirs, and had appointed Mr. MCLAURIN in his place.

SENATE BILLS REFERRED.

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

S. 1343. An act for the relief of Wells C. McCool—to the Committee on War Claims.

S. R. 70. Joint resolution providing for the improvement of a certain portion of the Mississippi River—to the Committee on Rivers and Harbors.

S. 6521. An act granting a pension to Abbie J. Daniels—to the Committee on Invalid Pensions.

S. 6422. An act granting an increase of pension to John L. Wells—to the Committee on Invalid Pensions.

S. 158. An act granting an increase of pension to John Ard Gordon—to the Committee on Invalid Pensions.

CHANGE OF REFERENCE.

Mr. HEPBURN. Mr. Speaker, the bill (H. R. 20381) to provide for the construction of a lock canal connecting the waters of the Atlantic and Pacific oceans, and the method of construction, is upon the Calendar of the Committee of the Whole House on the state of the Union. I ask that it be placed on the House Calendar, where it belongs.

The SPEAKER. The gentleman from Iowa moves to change the reference from the Union Calendar to the House Calendar of the bill indicated.

Mr. BARTLETT. What is the request, Mr. Speaker?

The SPEAKER. The gentleman from Iowa moves to take the bill indicated from the Union Calendar and refer it to the House Calendar under the rule. Is there objection? [After a pause.] The Chair hears none.

ISTHMIAN CANAL.

Mr. HEPBURN. Mr. Speaker, I move to take from the Speaker's table the bill (S. 6191) to provide for the construction of a lock canal between the waters of the Atlantic Ocean and Pacific Ocean, and the method of construction, a similar bill being on the House Calendar.

The Clerk read as follows:

Be it enacted, etc., That a lock canal be constructed across the Isthmus of Panama connecting the waters of the Atlantic and Pacific oceans, of the general type proposed by the minority of the Board of Consulting Engineers, created by order of the President dated January 24, 1905, in pursuance of an act entitled "An act to provide for the construction of a canal connecting the waters of the Atlantic and Pacific oceans," approved June 28, 1902.

Mr. HEPBURN. Mr. Speaker, these two bills are identically alike. I ask that the Senate bill be placed on its passage.

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

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

Mr. MANN. Mr. Speaker, I ask unanimous consent that I may extend remarks in the RECORD upon the bill just disposed of.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend remarks in the RECORD. Is there objection?

There was no objection.

SULPHUR SPRINGS RESERVATION.

Mr. SPERRY. Mr. Speaker, I ask unanimous consent to discharge the Committee on Indian Affairs from further consideration of the Senate joint resolution 69, directing that the Sulphur Springs Reservation be named and hereafter called the "Platt National Park," and consider the same now.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to change the name of the Sulphur Springs Reservation, and Indian Reservation now in the State of Oklahoma, formerly in the Indian Territory, so that said reservation shall be named and hereafter called the "Platt National Park," in honor of Orville Hitchcock Platt, late and for twenty-six years a Senator from the State of Connecticut and for many years a member of the Committee on Indian Affairs, in recognition of his distinguished services to the Indians and to the country.

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

A similar House joint resolution (No. 181) was laid on the table.

On motion of Mr. SPERRY, a motion to reconsider the vote whereby the joint resolution was passed was laid on the table.

BRIDGE ACROSS THE MISSOURI RIVER AT ST. CHARLES.

Mr. CLARK of Missouri. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 20175) to authorize the Missouri Central Railroad Company to construct and maintain a bridge across the Missouri River near the city of St. Charles, in the State of Missouri.

The Clerk read the bill at length.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The amendment was agreed to.

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

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

BRIDGE ACROSS THE MISSOURI RIVER NEAR THE CITY OF GLASGOW.

Mr. CLARK of Missouri. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 20176) to authorized the Missouri Central Railroad Company to construct and maintain a bridge across the Missouri River near the city of Glasgow, in the State of Missouri.

The Clerk read the bill at length.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The committee amendments were agreed to.

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

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

GRAND CANYON FOREST RESERVE.

Mr. HOWELL of Utah. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2732) for the protection of wild animals in the Grand Canyon Forest Reserve.

The bill was read, as follows:

Be it enacted, etc., That the President of the United States is hereby authorized to designate such areas in the Grand Canyon Forest Reserve as should, in his opinion, be set aside for the protection of game animals and be recognized as a breeding place therefor.

SEC. 2. That when such areas have been designated as provided in section 1 of this act, hunting, trapping, killing, or capturing of game animals upon the lands of the United States within the limits of said areas shall be unlawful, except under such regulations as may be prescribed from time to time by the Secretary of Agriculture; and any person violating such regulations or the provisions of this act shall be deemed guilty of a misdemeanor, and shall, upon conviction in any United States court of competent jurisdiction, be fined in a sum not exceeding $1,000, or by imprisonment for a period not exceeding one year, or shall suffer both fine and imprisonment, in the discretion of the court.

SEC. 3. That it is the purpose of this act to protect from trespass the public lands of the United States and the game animals which may be thereon, and not to interfere with the operation of the local game laws as affecting private, State, or Territorial lands.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. HOWELL of Utah. Mr. Speaker, there is a portion of the Grand Canyon Forest Reserve, north of the Grand Canyon of the Colorado, that is ideally adapted as a game preserve, and is already well stocked with deer, mountain sheep, pine chickens, as well as wolves, coyotes, and mountain lions. On what is locally known as the "Buckskin Mountains," but which is designated on the map as the Karhab Plateau, there is an area of about 2,000 square miles that can be at comparatively trivial cost converted into an inclosed game preserve. This tract is effectually fenced by that eighth great wonder of the world, the Grand Canyon of the Colorado, on the south and southeast, and on the west by the impassable gulf of the Kanab wash. By connecting these natural barriers by a fence a distance of some 16 miles the entire tract would be securely inclosed, and migration of game absolutely precluded. This region is a part of what is known as the "Arizona Strip"—that part of the Territory of Arizona completely isolated and cut off from the balance of the Territory by the impassable barrier of the Grand Canyon of the Colorado. This part of Arizona should be annexed to Utah. There is but one small community located near the Utah line on the entire strip. A citizen of this strip is required to travel 300 miles by team to visit his county seat. The people residing on the strip would hail such a change with joy. A large part of this strip has been included in a forest reserve. There is no running water worthy of mention within the entire reserve, and there is enough timber going to waste annually to supply all the wants of the people in that section of Utah and Arizona. There is no water to conserve, and isolation is sufficient to protect the timber against everything but forest fires, but it is nevertheless a forest reserve, and I hope it will now become a game preserve, for which it is eminently adapted.

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

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

FORT DOUGLAS MILITARY RESERVATION, UTAH.

Mr. HOWELL of Utah. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 6395) for the exchange of certain lands situated in the Fort Douglas Military Reservation, in the State of Utah, and other considerations, for lands adjacent thereto, between Le Grand Young and the Government of the United States, and for other purposes.

The bill was read, as follows:

Be it enacted, etc., That the Secretary of War, for and on behalf of the United States, is hereby authorized to grant and convey by deed to Le Grand Young, his heirs and assigns forever, that portion of the lands comprised within the Fort Douglas Military Reservation, adjoining Salt Lake City, Utah, described as follows, to wit: Commencing at the west boundary line of the Fort Douglas Military Reservation at a point where it is intersected by the south line of First South street, in Salt Lake City, Salt Lake County, State of Utah, and running thence north on said west boundary line of said military reservation a distance of 1,590 feet, more or less, to the southwest corner of what is known as "Popperton place," in Salt Lake City; thence east on a line between the said military reservation and the said Popperton place, a distance of 1,159 feet; thence south on a line running parallel to the said west boundary line of the military reservation a distance of 1,590 feet, more or less, to the northeast corner of the land granted to the University of Utah by act of Congress approved July 23, 1894; thence west along the north line of said university lands a distance of 1,159 feet to the place of beginning, containing 42.3 acres of land, reserving, however, for the use of the military and the public a right of way in and over the present macadamized road leading from the post of Fort Douglas through said premises to Salt Lake City: *Provided*, That there is hereby granted and reserved to the University of Utah a perpetual easement for the construction, maintenance, and repair of a pipe line over the following-described portion of said lands: Beginning at the intersection of the north line of First South street with the west line of the said military reservation, and running thence north along the west line of the said reservation 50 feet; thence east 1,159 feet; thence south 50 feet; thence west 1,159 feet to the place of beginning: *And provided further*, That there is hereby granted and reserved to Salt Lake City, a municipality organized and existing under the laws of the State of Utah, in the State of Utah, a perpetual easement for the construction, maintenance, and repair of a pipe line over the following-described portion of said lands: Commencing at the northwest corner of the University of Utah campus, running thence north along the west boundary of the Fort Douglas United States Military Reservation 200 feet; thence east 1,164.83 feet; thence south 200 feet; thence west 1,164.83 feet to the place of beginning. The Secretary of War is further authorized to convey to the said Le Grand Young, his heirs and assigns, a right of way 100 feet wide, for a railroad and wagon road, along the south side of the said military reservation, within metes and bounds as follows: Commencing at the southeast corner of the said military reservation and running thence west 600 rods to the southwest corner; thence north 100 feet; thence east 600 rods; thence south 100 feet to the place of beginning: *Provided*, That said roadway shall be subject to use by the public for highway purposes.

SEC. 2. That the deed provided for in section 1 of this act shall not be delivered to the said Le Grand Young until said Le Grand Young shall have first conveyed to the United States a title in fee simple, free and clear of all incumbrances, subject to the approval of the Attorney-General of the United States, to all of the following-described lands, easements, and ways, to wit: All of lots 4, 5, and 6, of section 2, township 1 south, range 1 east, and all of section 36, township 1 north, range 1 east, Salt Lake meridian; also, a release of all rights reserved by deed from Le Grand Young, trustee, dated April 23, 1888, under act of Congress approved March 3, 1887, entitled "An act granting a right of way through certain public lands of the United States in the Territory of Utah, and for other purposes;" and of all rights granted by said act to the Salt Lake Rock Company, its successors or assigns, in and over the following-described land, to wit: Sections 24, 25, and 35, and the east half of section 26, township 1 north, range 1 east; section 19, the south half of section 18, the west half of section 20, and the north half of section 30, township 1 north, range 2 east; including all rights of way on said lands, and also all rights of way on the Fort Douglas Military Reservation appurtenant to said lands, or used in connection therewith.

SEC. 3. That the Secretary of War is hereby authorized and directed, upon the approval of the conveyances provided for in section 2 of this act, to pay to the said Le Grand Young, his heirs or assigns, in further consideration therefor, the sum of $5,000; and there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $6,000, or so much thereof as may be necessary, to make said payment and cover the expenses of the execution of this act.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. PAYNE. Mr. Speaker, I understand this matter is placed in the hands of the Secretary of War, and that he recommends the passage of the bill.

Mr. HOWELL of Utah. Mr. Speaker, this bill merely carries into effect an agreement for the transfer of certain lands between the Secretary of War and Mr. Le Grande Young, of Salt Lake City. By the provisions of the bill the Secretary of War is authorized to convey to Mr. Young about 42 acres in the northwest corner of the reservation, adjoining the City of Salt Lake, valuable for residences and other purposes, in exchange for a tract comprising nearly 1,000 acres adjoining the reservation on the east. By the acquisition of this extensive tract from Mr. Young the Government secures exclusive and absolute control of the watershed and water supply for Fort Douglas. It will afford ample opportunity for field and target practice and furnish adequate ground for all military purposes. It will greatly enlarge the advantages of Fort Douglas as a rendezvous for a larger garrison than has been heretofore quartered there.

This addition to the reservation meets my full and hearty approval, but I think the purchase of it should have been made outright, thus leaving the 42 acres for future disposition for the public interests. While I am not fully in accord with the methods by which this land is acquired, the general result is so desirable that I have yielded to the desire of the Department, and consent to the passage of the bill.

Fort Douglas is picturesquely situated on an eminence overlooking the beautiful city of Salt Lake City from the east. I hope now that its boundaries have been enlarged and its mili-

tary advantages increased, that the War Department will be induced to give greater consideration to maintaining a full complement of troops there, and also give proper attention to the improvement and beautifying of its grounds, until it shall be what its picturesque location ought to demand—an attractive and delightful suburb of the beautiful City of Salt Lake.

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

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

CERTAIN LANDS IN THE STATE OF OREGON.

Mr. HERMANN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3200) providing when patents shall issue to the purchasers of certain lands in the State of Oregon.

The bill was read, as follows:

Be it enacted, etc., That all persons who have heretofore purchased any of the lands of the Umatilla Indian Reservation, in the State of Oregon, and have made or shall make full and final payment therefor in conformity with the acts of Congress of March 3, 1885, and of July 1, 1902, respecting the sale of such lands, shall be entitled to receive patent therefor upon submitting satisfactory proof to the Secretary of the Interior that the untimbered lands so purchased are not susceptible of cultivation or residence, and are exclusively grazing lands, incapable of any profitable use other than for grazing purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

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

UINTAH RESERVATION LANDS.

Mr. HOWELL of Utah. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 6375) granting lands in the former Uintah Indian Reservation to the corporation of the Episcopal Church in Utah.

The bill was read, as follows:

Be it enacted, etc., That there is hereby granted to the corporation of the Episcopal Church in Utah the following-described land lying within the former Uintah Indian Reservation, in the State of Utah, and now occupied by the said church for missionary purposes: Beginning at the northeast corner of the southeast quarter of section 7, township 3 south, range 2 east, United States meridian; running thence north, 60° 33′ west, 233.4 feet to a stake; thence south, 16° 30′ west, 1,324.2 feet to the left bank of the Uintah River; thence along the left bank of the said river in an easterly direction to the section line between sections 7 and 8 of said township and range; thence north, no degrees 15′ east, 1,353 feet to the place of beginning, containing 12.70 acres, more or less: *Provided*, That said property shall be held and used for missionary, school, and religious purposes, and in case said land shall be abandoned for said purposes the said land and all improvements thereon shall revert to the United States.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

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

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

Mr. HOWELL of Utah. Mr. Speaker, I ask unanimous consent to print some remarks in the RECORD.

The SPEAKER. The gentleman from Utah asks unanimous consent to print remarks in the RECORD. Is there objection?

There was no objection.

SPECIFICATIONS FOR GRADING LUMBER.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent for the present consideration of Senate joint resolution 67, to protect the copyrighted matter appearing in the "Rules and Specifications for Grading Lumber Adopted by the Various Lumber Manufacturing Associations of the United States." I ask that the Committee on Patents be discharged from the further consideration of this bill, a similar resolution having been reported unanimously by the House committee.

The SPEAKER. The gentleman from Nebraska asks unanimous consent that the Committee on Patents be discharged from the further consideration of Senate joint resolution 67, a similar House bill being upon the Calendar, and that the Senate joint resolution be considered at this time. Is there objection?

There was no objection.

The joint resolution was read, as follows:

Whereas the proprietors of certain copyrighted grading specifications and other copyrighted matter have consented to the use of such copyrighted matter in the "Rules and Specifications for Grading Lumber Adopted by the Various Lumber Manufacturing Associations of the United States," a publication prepared in the Forest Service of the United States Department of Agriculture; and

Whereas sufficient authority to publish and pay for the printing of said "Rules and Specifications for Grading Lumber Adopted by the Various Lumber Manufacturing Associations of the United States" is given in the bill making appropriations for the Department of Agriculture: Therefore

Resolved, etc., That said copyrighted matter, wherever it appears in said "Rules and Specifications for Grading Lumber Adopted by the Various Lumber Manufacturing Associations of the United States," shall be plainly marked as copyrighted matter, and shall be as fully protected under the copyright laws as though published by the proprietors themselves; and the permission for the use of such matter shall be deemed to be limited to the purposes of this resolution.

The SPEAKER. Is there objection?

Mr. WILLIAMS. Mr. Speaker, I should like to hear some explanation of this. As I understand it, it is to protect the copyright upon some book gotten out by the Lumbermen's Association.

Mr. HINSHAW. The various lumbering manufacturing associations of the United States have some rules and specifications for grading lumber. Now, the Agricultural Department is getting up a bulletin, in which will be embraced certain features of these rules and specifications, for distribution through the Department of Agriculture.

Mr. CURRIER. The various specifications being copyrighted.

Mr. HINSHAW. The rules and specifications are copyrighted, and this is simply to protect the copyright in the matter published by the Government, which is furnished to the Government by the Lumber Manufacturing Association. A similar thing was done in regard to the Woodman's Handbook, which was published heretofore. Congress protected the copyright in that work also.

Mr. WILLIAMS. Upon what ground, then, do you wish to confine it to the disposition of these people?

Mr. CURRIER. I think the gentleman does not understand. These people give the Government the right to use this copyrighted matter for free distribution in this publication. They do not wish by that act to lose control of the copyright in their own publication. This bill simply seeks to protect the copyright.

Mr. WILLIAMS. How will this cut off? How could these people be hurt if this were not passed?

Mr. CURRIER. I do not think they could be hurt at all, but the law officer for the Agricultural Department thinks they might be, and for that reason the proprietor of the copyright declines to allow the Government to use this matter unless this resolution be passed.

Mr. WILLIAMS. I have no objection.

The SPEAKER. The Chair hears no objection. The question is on the third reading of the Senate joint resolution.

The resolution was ordered to be read a third time, read the third time, and passed.

The SPEAKER. Without objection, a similar House joint resolution (No. 174) on the House Calendar will lie on the table.

There was no objection; and it was so ordered.

DIVERSION OF WATERS OF LITTLE RIVER, ALABAMA.

Mr. BURNETT. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 20173) to authorize Henry T. Henderson and his associates to divert the waters of Little River from the lands of the United States for use of electric light and power plant, which I send to the desk and ask to have read.

The Clerk read as follows:

Whereas Henry T. Henderson and associates purpose to erect a dam across Little River, in the State of Alabama, and at a point on said Little River in or near the southeast quarter of section 30, township 7 south, range 10 east, for the purpose of storing the waters of said river and utilizing the same in the operation of a water-power plant to be erected at or near Blanche station, on Chattanooga Southern Railroad, in Cherokee County, Ala., for the manufacture or generation of electric energy and the manufacture and sale of electric light and power; and

Whereas in the storing and utilizing of said waters the same will be diverted from the original channel of said Little River; and

Whereas below said proposed dam site said Little River passes through what is known as "Mays Gulf," in township 8 south, range 9 east, in the State of Alabama; and

Whereas the lands situated within the said Mays Gulf have never been surveyed and is the property of the United States Government; and

Whereas under the laws of the said State of Alabama the owners of land along nonnavigable streams in said State have the sole right to the use of the waters of such streams and are authorized and empowered to contract with reference thereto, and inasmuch as the United States Government, as the owner of the lands in said Mays Gulf, alone has the right as the riparian owner of the lands along said Little River, in said Mays Gulf, to grant the right to divert the waters of said stream from the channel where it passes through said lands: Therefore

Be it enacted, etc., That there be, and is hereby, granted unto Henry T. Henderson and associates the right or authority to perpetually divert the waters of Little River from the said lands so owned by the United States of America, and situated in Mays Gulf, in township 8 south, range 9 east, in the State of Alabama, for the purpose of storing and utilizing said waters in the operation of a water-power plant to be erected at or near Blanche, in Cherokee County, in the State of Alabama, for the generation of electric energy or power, and the sale of electric light and electric power.

With the following amendments:

On page 2, line 12, after the word "power," insert: *"Provided*, That the said Henry T. Henderson and associates shall pay to the Secretary of the Interior the reasonable value thereof within six months after

the passage of this bill, the value to be fixed by the register and receiver of the land office in the district where said water is located, and on failure to pay for the same the Secretary of the Interior may, in his discretion, declare forfeited the right to divert said water."

The SPEAKER. Is there objection?

Mr. DALZELL. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Alabama from what committee this bill comes?

Mr. BURNETT. The Committee on Public Lands.

Mr. DALZELL. Would not the object be accomplished by striking out all these "whereases?" That is a very bad feature.

Mr. BURNETT. I have no objection whatever to that. It is more a matter of explanation than anything else.

Mr. DALZELL. It is a bad thing to put on the statute books.

Mr. BURNETT. I have no objection whatever.

Mr. DALZELL. I would suggest that the gentleman strike that out.

Mr. BURNETT. Mr. Speaker, I ask unanimous consent to strike out the preamble.

The SPEAKER. The gentleman from Alabama asks unanimous consent to strike out the preamble. Is there objection? [After a pause.] The Chair hears none, and it is so ordered. Is there objection to the present consideration of the bill as amended?

Mr. MONDELL. Mr. Speaker, I do not want to object, but I would like to be yielded to for a minute or two.

Mr. BURNETT. I yield to the gentleman.

Mr. MONDELL. Mr. Speaker, I shall not object to the passage of this bill, but I want to call the attention of the House to the character of the legislation. This bill purports to grant the right to divert the waters of a certain creek in the State of Alabama. I think it is questionable whether Congress has any authority to grant to these parties or to anybody else the right to divert the waters of the State of Alabama. What is sought to be accomplished by this bill is a waiver of the rights of the United States as a riparian owner to certain lands along the stream below the point of diversion, and my opinion is that if it is wise to legislate along these lines the bill ought to have clearly stated its purpose. We can not grant to these people the right to divert the water of that stream. It may be held, and probably will be held, that this legislation which assumes to grant certain parties the right to divert the waters of a nonnavigable stream is in the nature of a waiver of the rights of the United States as a riparian owner along the stream. My principal objection to the legislation is that it is not in a form to indicate its real purpose, and I do hope it will not be considered a precedent for future legislation. I am of the opinion if the House fully understood the measure it would insist on putting it in a form to clearly indicate its evident purpose to secure a waiver of the rights of the Government as a riparian owner.

The SPEAKER. The question is on the committee amendment.

The question was taken; and the amendment was agreed to.

The SPEAKER. The question now is on the engrossment and third reading of the bill as amended.

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

LOAN OF UNITED STATES VESSEL TO PHILIPPINE GOVERNMENT.

Mr. COOPER of Wisconsin. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 19755) to authorize the Secretary of the Navy to loan temporarily to the Philippine government a vessel of the United States Navy for use in connection with nautical schools of the Philippine Islands, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and empowered to loan temporarily to the government of the Philippine Islands, upon the written application of the Secretary of War, a vessel of the United States Navy, to be selected from such vessels as are not suitable or required for general service, together with such of her apparel, charts, books, and instruments of navigation as he may deem proper, said vessel to be used only by such nautical schools as are or may hereafter be maintained by said government of the Philippine Islands: *Provided*, That when such schools shall be abandoned, or when the interests of the naval service shall so require, such vessel, together with her apparel, charts, books, and instruments of navigation, shall be immediately restored to the custody of the Secretary of the Navy: *And provided further*, That when such loan is made to the government of the Philippine Islands, the Secretary of the Navy is authorized to detail from the enlisted force of the Navy a sufficient number of men, not exceeding six for any vessel, as ship keepers, the men so detailed to be additional to the number of enlisted men allowed by law for the naval establishment, and in making details for this service preference shall be given to those men who have served twenty years or more in the Navy.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The question is on the engrossment and third reading of the bill.

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

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

DISTRIBUTION OF PUBLIC DOCUMENTS TO LIBRARY AT MANILA.

Mr. COOPER of Wisconsin. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 19754) to provide for the distribution of public documents to the library of the Philippine government at Manila, P. I., which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That the superintendent of documents is hereby authorized and directed to supply one copy of each document delivered to him for distribution to State and Territorial libraries and designated depositories to the library of the Philippine government, in the city of Manila, P. I.; and the Public Printer is hereby directed to print, bind, and deliver to the superintendent of documents the extra number of documents required to comply with this act.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The question is on the engrossment and third reading of the bill.

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

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

ALASKA SHORT LINE RAILWAY AND NAVIGATION COMPANY.

Mr. HUMPHREY of Washington. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 4256) for the relief of the Alaska Short Line Railway and Navigation Company's railroad, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That the time of the Alaska Short Line Railway and Navigation Company to comply with the provisions of sections 4 and 5 of chapter 299 of the laws of the United States, entitled "An act extending the homestead laws and providing for the right of way for railroads in the district of Alaska, and for other purposes," approved May 14, 1898, in acquiring and completing its railroad now under construction in Alaska is hereby extended as follows:

First. The time to file the map and profile of definite location of its second section of at least 20 miles with the register of the land office in the district of Alaska, as provided in said sections 4 and 5, is hereby extended to and including the 20th day of March, 1907.

Second. The time to complete the first section of at least 20 miles of its railroad, as provided in said section 5, is hereby extended to and including the 20th day of March, 1907, and such railroad and navigation company shall be entitled to all the benefits conferred upon it by the provisions of such act upon its due compliance with all the provisions thereof, excepting only the provisions thereof relating to the filing of the map and profile of definite location of its second section of not less than 20 miles of its road: *Provided*, That it shall have successively one year each after said 20th day of March, 1907, in which to file the map and profile of its definite location of the succeeding sections of not less than 20 miles each: *And provided further*, That it shall have five years in which to complete its entire line from Iliamna Bay to the Yukon River.

The SPEAKER. Is there objection?

Mr. JOHNSON. Mr. Speaker, reserving the right to object, I would like to know what the bill is.

Mr. HUMPHREY of Washington. Mr. Speaker, it provides for the extension of a year's time for this railway to complete its surveys for the second section. It has completed the first section, and then also provides for a year's extension right through for each section—that is, it is a year's extension for the entire railroad. The statute gives four years in which to complete it, and they ask five years in which to complete it. The statute gives one year on each 20 miles, and this asks an extension of time—that is, it gives one year more time all the way through.

Mr. JOHNSON. Under the present law they allowed four year in which to complete the road?

Mr. HUMPHREY of Washington. Yes; and they want five years. They want an extension of time on all after the first 20-mile section.

Mr. JOHNSON. How long has the road been under construction?

Mr. HUMPHREY of Washington. They commenced about a year ago, and they have got the surveys and definite locations on the first 20 miles. They do not ask an extension on that, but do on the rest. I will say, for the information of the gentleman, this road is 250 miles north of any other road and does not conflict with anybody else, no other company making any claim, and it is the unanimous report, both of the Senate and House committee.

Mr. OLMSTED. Where is this road?

Mr. HUMPHREY of Washington. It runs from Iliamna Bay to Anvic, on the Yukon. It is way up in the northern or western portion of the peninsula.

Mr. OLMSTED. Is this the company that is selling bonds on the strength of the statement this road is already in operation?

Mr. HUMPHREY of Washington. No, sir.

Mr. OLMSTED. I have no objection to the road, but I object to selling bonds on a road that is not built.

Mr. HUMPHREY of Washington. I do not think that those connected with this road are doing anything of that kind.

Mr. DRISCOLL. Is that a new road?

Mr. HUMPHREY of Washington. It is a comparatively new road.

Mr. DRISCOLL. Does it parallel another road there?

Mr. HUMPHREY of Washington. No; it is way beyond those two.

Mr. DRISCOLL. Is this the one Shafroth is against?

Mr. HUMPHREY of Washington. No; I think not, because there are Colorado people interested in it.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The bill was ordered to be read the third time; was read the third time and passed.

Mr. BURKE of South Dakota. Mr. Speaker, the bill H. R. 17112, Calendar, No. 163 is on the House Calendar. The subject-matter of that bill has been incorporated in the Indian Appropriation bill. Therefore I ask unanimous consent that that bill and also House joint resolution 133 (Private Calendar No. 2495) do lie on the table.

The SPEAKER. Without objection the House bill and joint resolution named will lie upon the table. [After a pause.] The Chair hears no objection.

DANIEL D. HEIDT.

Mr. CASSEL. Mr. Speaker, I present the following privileged report from the Committee on Accounts.

The SPEAKER. The Clerk will report the same.

The Clerk read as follows:

Resolution (H. Res. 595).

Resolved, That the Clerk of the House be, and he is hereby, directed to pay to Daniel G. Heidt, jr., the sum of $56.66 for amount due for services as clerk to Hon. Rufus E. Lester, late a Representative from the State of Georgia, from June 1, 1906, to June 17, 1906, the same to be paid from the contingent fund of the House.

The question was taken; and the report was agreed to.

R. E. TOMPKINS.

Mr. CASSEL. Also the following privileged report.

The SPEAKER. The Clerk will report the same.

The Clerk read as follows:

Resolution (H. Res. 591).

Resolved, That the Clerk of the House is hereby authorized and directed to pay, out of the contingent fund of the House, to R. E. Tompkins, the sum of $80, being the amount of clerk-hire allowance due as clerk to the late Representative John M. Pinckney, from April 1 to the date of said Pinckney's death, April 24, 1906, both dates inclusive.

The committee amendments were read as follows:

In line 3, after the word "House," insert the words "miscellaneous items, 1905."

In line 7 strike out "six" and insert "five."

The amendments were agreed to.

The resolution as amended was agreed to.

E. D. BELL.

Mr. CASSEL. I also offer the following.

The SPEAKER. The Clerk will report the same.

The Clerk read as follows:

Resolution (H. Res. 592).

Resolved, That the Clerk of the House is hereby authorized and directed to pay, out of the contingent fund of the House, to E. D. Bell the sum of $33.33, being amount of clerk-hire allowance due for services rendered Representive-elect JOHN M. MOORE from June 6 to June 15, 1905.

The committee amendment was read, as follows:

In line 3, after the word "House," insert the following: "Miscellaneous items, 1905."

The amendment was agreed to.

The resolution as amended was agreed to.

MESSENGER, HOUSE POST-OFFICE.

Mr. CASSEL. Also the following, Mr. Speaker.

The SPEAKER. The Clerk will report the same.

The Clerk read as follows:

Resolution (H. Res. 574).

Resolved, That the Postmaster of the House is hereby authorized and directed to employ a messenger for duty on the heavy mail wagon from the end of the present session to December 3, 1906, to be paid out of the contingent fund of the House at the same rate of compensation now paid for such service.

The resolution was agreed to.

REPORTING COMMITTEE HEARINGS.

Mr. CASSEL. Mr. Speaker, I also offer House resolution No. 585, which I send to the Clerk's desk.

The SPEAKER. The Clerk will read.

The Clerk read as follows:

Resolved, That the Clerk of the House be, and he is hereby, authorized and directed to pay, out of the contingent fund of the House, for reporting committee hearings, such accounts as may be certified to be correct, upon vouchers approved by the Committee on Accounts.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and the resolution was agreed to.

D. P. THOMAS.

Mr. CASSEL. Mr. Speaker, I also offer House resolution No. 433, which I send to the Clerk's desk.

The Clerk read as follows:

Resolved, That the Clerk of the House of Representatives is hereby authorized and directed to pay, out of the contingent fund of the House, to D. P. Thomas, messenger to the Chief Clerk, the sum of $300, for extra services rendered.

The SPEAKER. The question is on agreeing to the resolution.

Mr. FITZGERALD. Mr. Speaker, I would like to have some explanation of this.

Mr. CASSEL. I would say this employee is engaged during the summer at unusual work, and this resolution has been passed by former Congresses, because this man is employed during vacation. He remains here constantly, and is paid only for the services which he renders.

Mr. FITZGERALD. Is this additional compensation?

Mr. CASSEL. He receives no compensation during this time except the pay he receives by this resolution.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and the resolution was agreed to.

CLERK TO COMMITTEE ON IMMIGRATION AND NATURALIZATION.

Mr. CASSEL. Mr. Speaker, I also desire to offer House resolution No. 425, which I send to the Clerk's desk.

The SPEAKER. The gentleman from Pennsylvania offers a resolution, which the Clerk will report.

The Clerk read as follows:

Resolved, That the chairman of the Committee on Immigration and Naturalization is hereby authorized to appoint a clerk to said committee, who shall be paid out of the contingent fund of the House at the rate of $2,000 per annum from and after July 1, 1906, unless otherwise provided for by law; and the Committee on Appropriations is hereby authorized and directed to provide for the salary of said clerk in one of the general appropriation bills: *Provided*, That the same shall be in lieu of the session clerk assigned to said committee.

The amendment of the committee, in the nature of a substitute, was read, as follows:

Resolved, That during the remainder of the present Congress, or until otherwise provided for by law, there shall be paid out of the contingent fund of the House, for the services of a clerk to the Committee on Immigration and Naturalization, a sum equal to the rate of $2,000 per annum, payable monthly: *Provided*, That so much of the resolution adopted December 19, 1905, as assigned a session clerk to said committee is hereby vacated.

The SPEAKER. The question is on agreeing to the resolution.

Mr. PAYNE. Mr. Speaker, I wish to make a point of order against that resolution. It is plainly a change of law, and seems to me not of a privileged character.

Mr. CASSEL. In what way does it change the law, may I inquire?

Mr. PAYNE. The law provides no annual clerk for this committee with a salary of $2,000. I do not think the rule should be construed to allow the Committee on Accounts to bring in a resolution here changing existing law as to the pay of an officer.

The SPEAKER. The Chair will hear the gentleman from New York [Mr. PAYNE].

Mr. PAYNE. If the Committee on Accounts can make this unauthorized expenditure, we might bring in a resolution here to pay each Member of the House an additional salary of $2,500 out of the contingent fund of the House. Of course, they can not do that, and I do not see how they can create a new office. They create here an annual office out of the contingent fund of the House.

Mr. CASSEL. No; they do not.

Mr. CRUMPACKER. Will the gentleman allow a question? Does the gentleman take the position that the House can not provide any additional clerical force for the committees without a general law—without the consent of the Senate and the Executive?

Mr. PAYNE. Congress having legislated upon the subject and provided annual clerks for committees, no.

Mr. CRUMPACKER. The position of the gentleman is that the House as such has not the inherent or essential power to provide itself independently with all the equipment and service necessary for the discharge of its duties?

Mr. PAYNE. Not until the House has the power of legislation given to it with which to do so.

The SPEAKER. The Chair understands the gentleman from New York claims that this is not provided under the rule. Yet the Chair will call the attention of the gentleman to the rule:

The following-named committees shall have leave to report at any time on the matters herein stated:
* * * and the Committee on Accounts, on all matters of expenditure of the contingent fund of the House.

Mr. PAYNE. Now, Mr. Speaker, while that is the rule of the House, here is something that proposes legislation in regard to an officer. It proposes an annual clerk where the law provides for no annual clerk.

Mr. OLMSTED. Not an annual clerk, but only for the balance of this session.

The SPEAKER. Yet the Chair will call the attention of the gentleman from New York to the language of the resolution: .

That during the remainder of the present Congress, or until otherwise provided by law, there shall be paid out of the contingent fund of the House, for the services of a clerk to the Committee on Immigration and Naturalization, a sum equal to the rate of $2,000 per annum, payable monthly.

Mr. PAYNE. Now, Mr. Speaker, if it limits it to the present session of the present Congress then I can see reason for the contention.

The SPEAKER. It is limited.

Mr. PAYNE. It says "or until otherwise provided by law," which has the effect of continuing the salary unless a law shall be provided during this Congress.

The SPEAKER. Not beyond the 4th day of March next, when the Congress will expire.

Mr. PAYNE. Certainly; but it does provide for the balance of this Congress, by its terms, for an annual clerk.

The SPEAKER. Is not that just what this House may do under this rule?

Mr. PAYNE. When it is not in contravention of law; but the rule can not do away with the law.

The SPEAKER. Well, but what law does it contravene?

Mr. PAYNE. There is a law providing annual clerks for certain committees. They are appropriated for in the appropriation bill. This proposes to make another clerk, an annual clerk, to be paid out of the contingent fund of the House, in place of a session clerk.

The SPEAKER. May the Chair ask the gentleman would it not be in order, on a report of the Committee on Accounts—would it not be privileged—to pay one thousand or two thousand dollars for a clerk to a committee that has not a clerk even? In other words, under the rule, has not the House plenary powers over its contingent fund?

Mr. PAYNE. Well, when it is within the law, yes.

The SPEAKER. Well, but what law is in contravention with this?

Mr. PAYNE. I say there is no law providing for an annual clerk to this committee.

The SPEAKER. Precisely. The Chair will again say, take a committee that has no clerk; to illustrate, the Committee on Mileage, which, I believe, has no clerk. But let that be as it may; is not, under the rule, a resolution from the Committee on Accounts privileged that would provide $1,000 or $100 or $2,000 to be paid to a clerk during this Congress from the contingent fund? Would not that be in order?

Mr. PAYNE. Well, I do not think so. I do not think it would be in order no more than it would be in order to have an additional clerk for each Member of the House, allowing them to appoint them. Some one must appoint this annual clerk. They have legislation to that effect in this resolution. It is only expenditures that is privileged. It is not to create an office for the sake of making the expenditure. It is the expenditure itself that is privileged.

The SPEAKER. The Chair will again read this resolution:

That during the remainder of the present Congress, or until otherwise provided for by law, there shall be paid out of the contingent fund of the House, for the services of a clerk to the Committee on Immigration and Naturalization, a sum equal to the rate of $2,000 per annum, payable monthly.

Now, the effect of the resolution, if indorsed, would be to pay the clerk monthly at the rate of $2,000 per annum from the adoption of the resolution, from the contingent fund, until the 4th day of March next. It seems to the Chair that the resolution is privileged under the rules. It does not violate the privilege.

Mr. PAYNE. I would like a little time from the chairman of the committee.

Mr. CASSEL. What time?

Mr. PAYNE. Oh, five or ten minutes to discuss this, which is only a matter of a few thousand dollars.

Mr. CASSEL. It is not a matter of $2,000.

Mr. PAYNE. Wait a moment; let me finish my statement and then you will not have to contradict it. It is only a matter of a few thousand dollars, because I understand there are a number of these resolutions before the Committee on Accounts for a similar purpose—the idea of making annual clerks to committees that now and for years have gotten along with session clerks. Now, you take this Committee on Immigration and Naturalization. They have reported two important bills at this session of Congress. Their work is done upon those two important measures. Both of them have been passed by the House, and there is no excuse for this additional salary to be paid during the vacation of Congress. Now, I know it is an unpleasant thing to get up here and oppose extravagant expenditures by the House. It is hopeless almost, and it is a thankless task. It is a good deal like opposing an omnibus building bill or something of that kind; and still I beg this side of the House to reflect how the use of this contingent fund is constantly growing, and the fund itself growing, and the expenditures of the House growing from session to session. I think there ought to be some restraint put upon it. I think this is a good place to take a step in that direction, and give this committee what they have had heretofore, a clerk at $6 per day and not an annual clerk, to be followed up by a dozen—no one knows how many more—committees with similar appropriations to that provided for this; and I protest against the passage of this resolution.

Mr. CASSEL. Mr. Speaker, a statement or two. First, the contingent fund of the House has not been increased, nor has the Committee on Accounts authorized expenditures beyond the amount that has been appropriated, for the last eight or ten years. There is no question but that the necessities of the House, for clerical assistance, have become much greater during that time. There are many things that come before the committees of the House which are much more important than formerly. The volume of business is greater and the jurisdiction more important. The needs of this House and of its committees increase commensurately with the growth in membership here and with the growth of the country. Yet, notwithstanding the natural growth of both, we have exercised careful and economical oversight of the contingent fund of the House, and for this fiscal year have kept within the total amount usually appropriated for miscellaneous items—something like $75,000. Of this sum, however, only a comparatively small portion has been paid for salaries, and no new offices have been created or salaries or payments made until after the Committee on Accounts were satisfied, upon diligent inquiry and investigation, that they should be approved by the House. We have expended of the entire contingent fund for this year only $25,000 for actual salaries, all of it necessary for the proper conduct of the business of the House, and in some instances increases over current salaries which our committee and the House thought just and right in the interest of worthy and faithful employees.

The remainder of the contingent fund has been or will be expended to defray the expenses of special and select committees of the House—such as the investigation by the Printing Commission, the investigation of hazing by the Naval Committee, the St. Elizabeth asylum investigation, the investigation ordered by the House, but not yet conducted, of the Agricultural Department, and expenses in the contested-election case of Coudrey *v.* Wood, and in the case of Mr. Michalek, to determine his right to a seat in this House, all of which expenses were ordered paid by the House. We will also pay for reporting committee hearings. We have also paid the expenses in connection with the funerals of deceased Members and employees, paying the legal representatives of the latter in each case, as is customary, an amount equal to six months' salary, besides taking care of all other incidental and miscellaneous expenditures—such as for telephone service, rental of annex folding room, purchase of all supplies for committees and offices other than stationery, for laundry, and for numerous necessary odds and ends I will not take time to mention. And I want to say for the Committee on Accounts that we have given painstaking consideration to every proposition which has come before us, carefully scrutinizing each proposed expenditure, whether ordinary or unusual; and while the committee has been deluged in these last days of the session with many resolutions, we have exercised great care in their consideration and many of them still remain on our docket to be hereafter considered.

Mr. PAYNE. May I ask the gentleman a question?

Mr. CASSEL. Just one minute. Let me explain that the chairman of this committee, as well as several others who have session clerks, do not have any secretaries during the time Congress is in session. Under the law they are deprived of their secretaries during the session. Consequently their secretaries must do both the work of clerk of the committee and that of secretary to the chairman in his representative capacity. After Congress adjourns there is piled upon them twice the

amount of work which they ought to have. The employment as clerk to the committee ceases, but the work goes on. This resolution will correct this inequality and injustice in this particular case by giving the chairman a secretary such as the other Members of the House have. I do think that the chairmen of committees of as great importance as this and the other committee that will be covered by another resolution, are entitled to sufficient consideration to give them the clerical help which they need to transact their business.

Mr. PAYNE. Has this ever been done before, in regard to this committee?

Mr. CASSEL. In regard to this committee it has not.

Mr. PAYNE. Then this is an increase, is it not?

Mr. CASSEL. It is.

Mr. PAYNE. Now, is it not a fact that while the fund has not been increased by appropriation, the appropriation bills have provided for the payment of the salaries of officers, created by this committee, and provided for them otherwise than from the contingent fund? For instance, the number of the official reporters to committees has been increased, so that the demand upon the contingent fund for official reporting of committees by outside reporting firms has been thereby made less than it otherwise would be. And so in regard to offices that have been created by the action of this committee. The Committee on Appropriations have appropriated specifically for their salary, and in that way the demand upon the contingent fund has been lessened.

Mr. BARTLETT. Will the gentleman yield to me?

Mr. CASSEL. Yes.

Mr. BARTLETT. I yield to the gentleman from South Carolina [Mr. FINLEY] five minutes.

Mr. FINLEY. Mr. Speaker, I do not think it is any argument against this proposition that the Committee on Immigration and Naturalization has had no annual clerk heretofore. It is known to everybody that this committee is growing in importance. Some committees decrease in importance. and I call the attention of the gentleman from New York [Mr. PAYNE] to the fact that the great committee over which he presides with so much ability is not as important in this Congress as it has been in other Congresses. Why, it is well known that the amount of work performed by the Ways and Means Committee in this Congress, and for the past seven years, for that matter, has been insignificant, and yet I believe that committee has as many clerks as it ever had. Now, the Committee on Immigration and Naturalization has grown in importance in the last few years. While I only have knowledge of the work of that committee as other Members of the House have, yet I know that the work performed by the Immigration Committee in this Congress and in the last Congress is very great. There were hearings day after day, week after week, month after month, and yet this committee is without the necessary clerical assistance. I want to say further that no committee in this House has performed a better work at this session of Congress than has the Committee on Immigration. The bill to regulate the immigration of aliens into the United States, reported by this committee at this session, and a bill which I heartily approve, is the highest proof of the amount and importance of the work of that committee. This clerk is necessary, and I hope the resolution will pass.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

CLERK TO COMMITTEE ON IRRIGATION OF ARID LANDS.

Mr. CASSEL. Mr. Speaker, I also am directed to report the following.

The Clerk read as follows:

Resolved, That during the remainder of the present Congress, or until otherwise provided for by law, there shall be paid out of the contingent fund of the House, for the services of a clerk to the Committee on Irrigation of Arid Lands, a sum equal to the rate of $2,000 per annum, payable monthly: *Provided*, That so much of the resolution adopted December 19, 1905, as assigned a session clerk to said committee is hereby vacated.

The resolution was agreed to.

GRANTING LOS ANGELES RIGHTS OF WAY OVER CERTAIN PUBLIC LANDS.

Mr. McLACHLAN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 6443) granting to the city of Los Angeles, Cal., rights of way over and through certain public lands, and over and through the Sierra Forest Reserve, the Santa Barbara Forest Reserve, and the San Gabriel Timber Land Reserve, in the State of California, and for other purposes, and I ask that the Clerk read the substitute recommended by the committee.

The Clerk read the substitute, as follows:

Amend said bill by striking out all after the enacting clause and inserting the following:

"That there is hereby granted to the city of Los Angeles, Cal., a municipal corporation of the State of California, all necessary rights of way, not to exceed 250 feet in width, over and through the public lands of the United States in the counties of Inyo, Kern, and Los Angeles, State of California, and over and through the Sierra and Santa Barbara forest reserves and the San Gabriel Timber Land Reserve, in said State, for the purpose of constructing, operating, and maintaining canals, ditches, pipes and pipe lines, flumes, tunnels, and conduits for conveying water to the city of Los Angeles, and for the purpose of constructing, operating, and maintaining power and electric plants, poles, and lines for the generation and distribution of electric energy, together with such lands as the Secretary of the Interior may deem to be actually necessary for power houses, diverting and storage dams and reservoirs, and necessary buildings and structures to be used in connection with the construction, operation, and maintenance of said water, power, and electric plants, whenever said city shall have filed, as hereinafter provided, and the same shall have been approved by the Secretary of the Interior, a map or maps showing the boundaries, locations, and extent of said proposed rights of way for the purposes hereinabove set forth.

"SEC. 2. That within one year after the passage of this act the city of Los Angeles shall file with the registers of the United States land offices in the districts where the lands traversed by said rights of way are located, a map or maps showing the boundaries, locations, and extent of said proposed rights of way, for the purposes stated in section 1 of this act; but no construction work shall be commenced on said land until said map or maps have been filed as herein provided and approved by the Secretary of the Interior: *Provided*, That any changes of location of said rights of way may be made by said city of Los Angeles, within two years after the filing of said map or maps, by filing such additional map or maps as may be necessary to show such changes of location, said additional map or maps to be filed in the same manner as the original map or maps; and the approval of the Secretary of the Interior of said map or maps showing changes of location of said rights of way shall operate as an abandonment by the city of Los Angeles to the extent of such change or changes, of the rights of way indicated on the original maps: *And provided further*, That any rights inuring to the city of Los Angeles under this act shall, on the approval of the map or maps referred to herein by the Secretary of the Interior, relate back to the date of the filing of said map or maps with the register of the United States land office as provided herein.

"SEC. 3. That the rights of way hereby granted shall not be effective over any land upon which homestead, mining, or other existing valid claims shall have been filed or made until the city of Los Angeles shall have procured proper relinquishments of all such entries and claims, or acquired title by due process of law and just compensation paid to said entrymen or claimants and caused proper evidence of such fact to be filed with the Secretary of the Interior: *Provided, however*, That this act shall not apply to any lands embraced in rights of way heretofore approved under any act of Congress, nor affect the adjudication of any pending applications for rights of way by the owner or owners of existing water rights and that no private right, title, interest, or claim of any person, persons, or corporation, in or to any of the lands traversed by or embraced in said right of way shall be interfered with or abridged, except with the consent of the owner or owners or claimant or claimants thereof, or by due process of law, and just compensation paid to such owner or claimant.

"SEC. 4. That the city of Los Angeles shall conform to all regulations adopted and prescribed by the Secretary of Agriculture governing the forest reserves, and shall not take, cut, or destroy any timber within the forest reserves, except such as may be actually necessary to remove to construct its power plants and structures, poles and flumes, storage dams and reservoirs, and it shall pay to the Forest Service of the Department of Agriculture the full value of all timber and wood cut, used, or destroyed on any of the rights of way and lands within forest reserves hereby granted: *Provided further*, That the city shall construct and maintain in good repair bridges or other practicable crossings over its rights of way within the forest reserves when and where directed in writing by the Forester of the United States Department of Agriculture, and elsewhere on public lands along the line of said works, as required by the Secretary of the Interior; and said grantee shall, as said waterworks are completed, if directed by the Secretary of the Interior, construct and maintain along each side of said right of way a lawful fence, as defined by the laws of the State of California, with such lanes or crossings for domestic animals as the aforesaid officers shall require: *Provided further*, That the city of Los Angeles shall clear its rights of way within forest reserves of any débris or inflammable material as directed by the Forester of the United States Department of Agriculture: *Provided further*, That the said city shall allow any wagon road which it may construct within forest reserves to be freely used by forest officers and the officers of the Interior Department and by the public, and shall allow to the Forest Service of the United States Department of Agriculture and to the officers of the Interior Department, for official business only, the free use of any telephones, telegraphs, or electric railroads it may construct and maintain within the forest reserves or on the public lands, together with the right to connect with any such telephone lines private telephone wires for the exclusive use of said Forest Service or of the Interior Department: *And provided further*, That the Forest Service may, within forest reserves, protect, use, and administer said land and resources within said rights of way under forest-reserve laws and regulations, but in so doing must not interfere with the full enjoyment of the rights of way by the city of Los Angeles: *And provided further*, That in the event that the Secretary of the Interior shall abandon the project known as the Owens River project for the irrigation of lands in Inyo County, Cal., under the act of June 17, 1902, the city of Los Angeles, in said State, is to pay to the Secretary of the Interior, for the account of the reclamation fund established by said act, the amount expended for preliminary surveys, examinations, and river measurements, not exceeding $14,000, and in consideration of said payment the said city of Los Angeles is to have the benefit of the use of the maps and field notes resulting from said surveys, examinations, and river measurements, and the preference right to acquire at any time within three years from the approval of this act any lands now reserved by the United States under the terms of said reclamation act in connection with said project necessary for storage or right-of-way purposes, upon filing with the register and receiver of the land office in the land district where any such lands sought to be acquired are situated a map

showing the lands desired to be acquired, and upon the approval of said map or maps by the Secretary of the Interior, and upon the payment of $1.25 per acre to the receiver of said land office title to said land so reserved and filed on shall vest in said city of Los Angeles, and such title shall be and remain in said city only for the purposes aforesaid, and shall revert to the United States in the event of the abandonment thereof for the purposes aforesaid: *Provided, however,* That the terms of this act shall not apply to any lands upon Bishop Creek or its branches in said county of Inyo.

"SEC. 5. That all lands over which the rights of way mentioned in this act shall pass shall be disposed of subject to such easements: *Provided, however,* That if construction of said waterworks shall not have been begun in good faith within five years from the date of approval of this act, or if after such period of five years there shall be a cessation of such construction for a period of three consecutive years, then all rights hereunder shall be forfeited to the United States.

"SEC. 6. That the city of Los Angeles is prohibited from ever selling or letting to any corporation or individual, except a municipality, the right for such corporation or individual to sell or sublet the water sold or given to it or him by the city.

"SEC. 7. That the right to amend, alter, or repeal this act at any time is hereby reserved."

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. NEEDHAM. Mr. Speaker, reserving the right to object, I would like to ask my colleague if this bill gives any rights to water or apportions it in any way?

Mr. McLACHLAN. It does not attempt to dispose of any water rights whatever. It simply grants rights of way over the public domain for the waters of the city of Los Angeles, which they now own.

Mr. NEEDHAM. The question of water rights is to be settled entirely by the State law?

Mr. McLACHLAN. Entirely by the State law.

Mr. NEEDHAM. Mr. Speaker, I shall not object.

The SPEAKER. Is there objection?

There was no objection.

The amendment in the nature of a substitute was agreed to.

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

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

HARBOR AT MILWAUKEE, WIS.

Mr. OTJEN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 20290) amending the river and harbor act of March 3, 1905.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized, in his discretion, to modify the conditions of the plan for the improvement of the inner harbor of the city of Milwaukee, Wis., as set forth in paragraph 28 of House Document No. 120, Fifty-eighth Congress, second session, and authorized by the river and harbor act of March 3, 1905, by omitting from said plan the turning basin at the head of navigation on the Kinnickinnic River.

The SPEAKER. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none.

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

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

PHILIPPINE TARIFF.

Mr. DALZELL. Mr. Speaker, I present the following privileged report from the Committee on Rules.

The Clerk read as follows:

Resolved, That during the consideration of the general deficiency appropriation bill, now pending in Committee of the Whole House on the state of the Union, it shall be in order to consider points of order notwithstanding the paragraph relating to the ratification of the Philippine tariff, page 4, lines 17 to 26, and page 5, lines 1 and 2, as follows, viz:

"That the tariff duties, both import and export, imposed by the authorities of the United States or of the provisional military government thereof in the Philippine Islands prior to March 8, 1902, at all ports and places in said islands upon all goods, wares, and merchandise imported into said islands from the United States, or from foreign countries, or exported from said islands, are hereby legalized and ratified, and the collection of all such duties prior to March 8, 1902, is hereby legalized and ratified and confirmed as fully to all intents and purposes as if the same had by prior act of Congress been specifically authorized and directed."

Mr. DALZELL. Mr. Speaker, upon that I demand the previous question.

The question was taken; and on a division (demanded by Mr. WILLIAMS) there were—ayes 130, noes 77.

So the previous question was ordered.

Mr. DALZELL. Mr. Speaker, the urgent deficiency bill now under consideration by the House contains this paragraph, and I desire especially to call the attention of the House to its terms:

That the tariff duties, both import and export, imposed by the authorities of the United States or of the provisional military government thereof in the Philippine Islands prior to March 8, 1902, at all ports and places in said islands upon all goods, wares, and merchandise imported into said islands from the United States, or from foreign countries, or exported from said islands, are hereby legalized and ratified, and the collection of all such duties prior to March 8, 1902, is hereby legalized and ratified and confirmed as fully to all intents and purposes as if the same had by prior act of Congress been specifically authorized and directed.

To that paragraph a point of order was made that it was new legislation, and that point of order was sustained. If the resolution now pending be adopted, this paragraph will be restored to the urgent deficiency bill and then be the subject of debate just as if it had been in the bill originally. Mr. Speaker, just a word or two with respect to the reasons why this legislation is necessary. On the 12th of July, 1898, while the war with Spain was in progress, President McKinley issued an order imposing import and export duties upon goods going into or coming out of the Philippine Islands. The treaty of peace was ratified on the 11th of April, 1899. Of course so far as the customs duties are concerned that we collected between the date of the order of President McKinley and the ratification of the treaty there could be no question. The duties, however, continued to be collected under the McKinley order, and a number of amendments thereto, up until March 8, 1902, when Congress enacted the first Philippine tariff bill. It is claimed that the duties collected subsequent to the ratification of the treaty of peace were without authority of law, and on the 1st day of July, 1902, the Congress passed an act ratifying and legalizing all the duties that had been collected subsequent to the McKinley order and up to the date of the passage of that act. The question was raised as to whether or not this act of the 1st of July, 1902, operated as Congress thought it would operate, to legalize and ratify the imposition and the collection of these customs duties. Several cases were brought against the United States to recover back the duties paid under the McKinley order, and the Supreme Court held that the act of 1902, July 1, did not extend so far as to legalize all of the duties collected. After that decision a petition was filed upon the part of the United States calling the attention of the court to the fact, as the attorney for the United States believed, that the court in its decision had overlooked the amendments to the McKinley order, and a rehearing was granted upon the question as to whether Congress by the act of July 1, 1902, ratified the collection of the sums sought to be recovered in those suits. On that rehearing the court held that the act of 1902 was not sufficient to cover all the customs duties that had been collected prior to the passage of the first Philippine tariff act by Congress. The necessity, therefore, arises, if Congress believes that those duties were properly collected, to supplement the act of July 1, 1902, by the legislation which is included in the paragraph that is now proposed to be put upon the urgent deficiency bill.

Mr. Speaker, there are legal questions involved that I have not now time to discuss within the limited time allowed for a discussion on the adoption of the rule, but abundant opportunity will be afforded to discuss them and they will be appropriate to be discussed when the rule shall have been adopted and the paragraph is inserted in the bill. I trust that the rule, therefore, will pass and the opportunity be afforded for that discussion.

Mr. STERLING. Mr. Speaker, I would like to ask the gentleman if there was a stipulation or agreement that the cases of these claimants should abide the decision in the case the gentleman has referred to.

Mr. DALZELL. I know of no such agreement.

Mr. SHERLEY. Mr. Speaker, before the gentleman takes his seat I wish he would tell the House whether this matter was ever brought to the attention of Congress by a bill properly introduced and sent to the Judiciary Committee, either of the House or of the Senate.

Mr. DALZELL. I do not know. I have no knowledge on the subject.

Mr. SHERLEY. It struck me as peculiar that a technical matter of this kind should be determined in this way, and that there might have been some such action taken.

Mr. DALZELL. I have no knowledge on the subject.

Mr. ALEXANDER. Does the gentleman know the amount of the claims now filed?

Mr. DALZELL. Claims have been filed now to the amount of nearly $3,000,000, but those claims represent only customs duties paid upon goods that came from the United States. If this legislation should fail, the amount of claims would be something like $15,000,000.

Mr. ALEXANDER. Has the gentleman any doubt himself as to the constitutionality of this proposed legislation?

Mr. DALZELL. Not a bit; I have no doubt about it.

Mr. Speaker, I reserve the balance of my time.

Mr. WILLIAMS. Mr. Speaker, I will ask the Speaker to rap me down at the end of five minutes. Mr. Speaker, upon July 12, 1898, the executive department of the Federal Government undertook to legislate into existence tariff acts between the

Philippine Islands and the United States and also to legislate into existence taxation in the Philippines under the guise of its being an exercise of the war power. This was a usurpation of legislative power by the Executive. This was in the opinion of many of us at that time, and we asserted that opinion, a clear act of executive usurpation.

Later the Supreme Court of the United States decided, what it seems to me ought to have been plain to any man who was born and reared in an American atmosphere, to wit, that the executive department of the Government could not pass taxation laws, but that the Congress of the United States, being the legislative department, alone could do that. The Supreme Court decided that the acts of the Executive in that far were usurpatory and invalid, not using that language so far as the first word goes, but that they were invalid, and being invalid of course they were usurpatory. Then by the act of July 1, 1902, the second section of it, Congress undertook to cure that, but upon a rehearing asked by the Government the Supreme Court of the United States decided that it had not been cured. Some of these taxes were resisted and were not paid. Other suits were brought and were in process of determination when the United States Supreme Court decided.

Now, the gentleman from Pennsylvania says he does not know whether or not any of those cases were made test cases. I inform the House now that one of the counsel in one of those cases (and the gentleman from Massachusetts in a few moments will read what he said) asserted most positively that by agreement with the Solicitor they were made test cases. Now, then, this rule is for the purpose of making germane to this bill a proposition which otherwise would not be germane, and which, if carried by the House, amounts simply to this, to confirm and ratify a usurpatory and invalid act of the executive department of the Federal Government and to cut off from their right to a remedy in the courts of the United States the people who were injured by that act. Now, Mr. Speaker, I shall yield——

Mr. DALZELL. I do not know anything about this alleged agreement; but does the gentleman from Mississippi hold that the Attorney-General of the United States could make an agreement that would bind Congress not to legislate in a matter of this kind?

Mr. WILLIAMS I do not; of course I hold no such thing; but as you were asked the question and you replied to it, I replied to your reply; but I do hold that a great Government ought to be equal in good morals and in the observance of good faith to the humblest citizen in the land. [Applause on the Democratic side.] Mr. Speaker, how much of my five minutes have I remaining?

The SPEAKER. The gentleman has one minute remaining of his five minutes.

Mr. WILLIAMS. I now yield eleven minutes to the gentleman from Massachusetts [Mr. SULLIVAN].

Mr. SULLIVAN of Massachusetts. Mr. Speaker, in the treatment of claims of citizens of the United States by this Government many of us must have felt little to sanction in our consciences. It is regarded by many Members as amounting almost to a national scandal. The case we have to discuss here to-day will be a national scandal if this rule is adopted and the legislation it brings in order is passed, and it will be not only a scandal which reflects upon us here in the United States, but one which will reflect upon us in every quarter of the globe, for not only are the rights of citizens of the United States involved, but also those of citizens of England, Germany, Spain, and Switzerland, countries with which we are at peace, and which we ought to respect. In a word, if the action of the majority is followed here to-day you will vote to establish injustice rather than justice; you will vote to repudiate a debt which the highest court of the United States has established by a solemn decree; you will vote to confirm the title of the United States to money belonging to citizens, according to the decisions of the Supreme Court of the United States. Now, what are the facts? On the 12th of July, 1898, during the war with Spain, President McKinley issued an order providing for the collection of taxes in such ports and places in the Philippine Islands as fell under the American arms. On the 11th of April, 1899, the treaty of peace between Spain and the United States was proclaimed. Notwithstanding that, customs duties on exports and imports were collected until the 8th of March, 1902, when the revenue act for the islands, passed by Congress, went into effect. In 1900 suits were brought in the Court of Claims for the payment of duties alleged to have been collected illegally. On the 12th of July, 1901, Congress passed an act the second section of which was thought to have ratified and made legal the collection of duties in the Philippine Islands in this period. The suits were decided against the claimants in the Court of Claims. Thereupon two of them were appealed to the Supreme Court of the United States, and under an agreement between the Government and those claimants they were made as test cases, and the Government's counsel stated to the Supreme Court that all cases then filed in the Court of Claims would be governed by the decision of the Supreme Court in the test cases.

On the 20th and 26th of May, 1905, two lists, giving the names of the claimants and the amount of the claims pending in the Court of Claims, were filed with the Supreme Court by the Attorney-General, in order to show to that court what the consequences of its decision would be. In addition to that there was an agreement that the cases in the Court of Claims should be held in abeyance pending the decision of the Supreme Court, and I shall insert in my remarks at the close a letter from Mr. Pradt, one of the counsel for the United States, to an attorney for the claimant, which demonstrates absolutely that the Government took such action as to prevent the perfecting of their rights by claimants against the United States.

Mr. HAMILTON. Will the gentleman yield?

Mr. SULLIVAN of Massachusetts. I can not yield now, as I have only ten minutes.

Now, on the 3d of April, 1905, the Supreme Court decided these test cases—Warner, Barnes & Co., and the Lincoln case—and it has disposed of the defense of the United States by the decision that there was no state of war existing in the Philippine Islands upon which the military order of the President could be lawfully predicated; and, secondly, that the second section of the act of July 1, 1902, did not in fact, regardless of the question of whether it was so intended, ratify and make legal the collection of these duties. In that case every question brought forward by the Government was patiently and fully considered by the Supreme Court. Later, in 1905, the Government asked a rehearing, and the court again heard the Government's contention, and again it decided that the act of July 1, 1902, did not ratify and give validity to the collection of the taxes in the Philippine Islands which were the subject of the controversy before the court.

Now, then, as it is the statement of the Attorney-General to that court that cases pending in the Court of Claims would be governed by the decision of the Supreme Court, we must in equity deal with those cases in the Court of Claims upon the same footing as we deal with the two test cases that were actually before the Supreme Court in which judgment has been entered.

What will be the effect of this legislation? The gentleman from New York [Mr. LITTAUER] admitted yesterday that it was the purpose of the legislation to defeat the claims, not only of those who had paid taxes and had not brought suit, but also of those who had brought suit, but in which suits no judgments had been entered. Now, then, this legislation will affect not only our citizens, but the citizens of foreign countries which throw their own courts open to us, allow our citizens to get judgments against such governments, and allow the decisions of those courts to be carried out by the executive departments of those governments. We are asked by the adoption of this rule to nullify two solemn decisions of the Supreme Court of the United States. We are asked to nullify the fifth amendment to the Constitution of the United States, which provides that the property of the citizen may not be taken without due process of law and without just compensation. We are asked to establish a precedent which may work hardship to citizens of our own land in their dealings with foreign governments later on, and no man ought to vote for this rule who would be prepared to sanction this state of things.

Suppose that exporters from the United States send goods to the port of Hamburg, in Germany. Suppose taxes are levied upon them there unlawfully. Suppose a test suit were brought in and decided by the highest court of Germany, upholding the contention of American citizens and confirming their title to the money they had been unlawfully compelled to pay. Suppose the German Government would then pass an act in its Parliament defeating the decisions of its highest court, which had established the rights of American citizens in that country. Is there a man in this House who would not burn with indignation against that repudiation by Germany of the judgment of its own courts in its dealings with American citizens? [Applause.] If a weak power—as, for example, Venezuela—should deal with our citizens in such a manner, what man is there upon this floor who would not invoke the war power of this nation in order to compel Venezuela to do justice to our citizens in response to the mandate of its highest court?

Now, the gentleman who is not willing to sanction that course of procedure ought not by his vote to-day sanction the procedure which the majority asks us to adopt. I say that it is not a mere question of ratification. It is a question of whether

you will strike down those constitutional guaranties which are the safeguards of property and the bulwarks of civilization in this land. It is not a mere question of the number of claimants or the amount of the claims involved. It is not a question merely of good faith between the law officers of the Government and these claimants who have come properly before our courts. It goes beyoud that.

It is a question whether you shall repudiate the decree of the Supreme Court that has confirmed the property rights of citizens to money which has been unlawfully collected by the Government of the United States. In the last analysis it is a question whether you shall by your vote here to-day cast a stain upon the honor of this Republic and make it a byword and a reproach in every civilized capital in every quarter of the globe; whether you shall discard all partisan considerations, improperly injected into this debate, and join with us here and now in opposing a measure that attacks not merely the courts of the United States, but the very honor of this Republic. [Loud applause on the Democratic side.]

I ask unanimous consent to insert the letter and documents showing the agreement as to cases pending in the Court of Claims.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The letter and documents are as follows:

[Copy of a letter written by Hon. L. A. Pradt, former Assistant Attorney-General in charge of Court of Claims, to Henry M. Ward, one of the attorneys for claimants in the Philippine tariff cases.]

1410 H STREET NW., WASHINGTON, D. C.,
June 27, 1906.

Mr. H. M. WARD, *Washington, D. C.*

DEAR MR. WARD: In response to your inquiry as to my recollection regarding the understanding which was had between yourself and other attorneys for claimants in the Philippine tariff cases and myself, as Assistant Attorney-General in charge of the defense of those cases, I have to say that after the decision of the Court of Claims adverse to the claimants in the Warner Barnes case, and the appeal to the Supreme Court which followed, there was no attempt made by claimants to prove the amounts of duties for which a refund was claimed in the other cases, all of which were then filed, as I recollect; and any such move would have been useless, since the court, according to its unwritten rule, would have sustained the objection which I should, of course, have made to such procedure, because of the pendency of the test case in the Supreme Court. After the Supreme Court had reversed the decision of the Court of Claims in the Warner Barnes case arrangements had about been completed for the appointment of an auditor to report the facts to the court in the other cases, when the motion for a rehearing was made, whereupon, by mutual consent, all further proceedings were suspended pending the result of the motion. If you and your associates had not so agreed, I should have asked the court to make an order to that effect, and the motion would certainly have prevailed.

Yours, very truly, L. A. PRADT.

ON PETITION FOR REHEARING—STATEMENT OF CLAIMS FILED.

We submit to the court the following statement of claims filed, which would come under the decision herein, for refund of duties. The clerk of the Court of Claims states that this list is complete and accurate to date. It is evident that additional claims are being presented from day to day. The list is arranged to show the aggregate of claims up to July 1, 1902, and the aggregate of claims since that date and up to the present time.

Claims filed up to July 1, 1902.

22757.	Jan. 18, 1902.	Warner, Barnes & Co	$162,253.29
22758.	Jan. 20, 1902.	Warner, Barnes & Co	326,386.62
22760.	Jan. 25, 1902.	Smith, Bell & Co	1,216,000.00
22761.	Jan. 25, 1902.	Smith, Bell & Co	4,000.00
22762.	Jan. 25, 1902.	Smith, Bell & Co	445,000.00
22763.	Jan. 25, 1902.	Smith, Bell & Co	244,000.00
22808.	Feb. 27, 1902.	Guiterrez Hermanos	138,939.97
22809.	Feb. 27, 1902.	Juan B. Gomez	19,753.75
22810.	Feb. 27, 1902.	Juan B. Gomez	3,127.09
22812.	Mar. 3, 1902.	Warner, Barnes & Co	700.00
22813.	Mar. 3, 1902.	Warner, Barnes & Co	2,104.00
22816.	Mar. 5, 1902.	Perez & Co	1,400.00
22817.	Mar. 5, 1902.	Perez & Co	16,000.00
22823.	Mar. 13, 1902.	Ker & Co	180,000.00
22824.	Mar. 13, 1902.	Ker & Co	131,000.00
22825.	Mar. 13, 1902.	Ker & Co	4,300.00
22826.	Mar. 13, 1902.	Ker & Co	49,000.00
22846.	Apr. 3, 1902.	Walter F. Stevenson et al	24,084.37
22860.	May 3, 1902.	Warner, Barnes & Co	300,000.00
22879.	May 19, 1902.	Jacob Hankrom	72,568.43
22901.	June 21, 1902.	Pacific Oriental Trading Co	4,280.00
22902.	June 21, 1902.	Pacific Oriental Trading Co	1,587.39
22903.	June 21, 1902.	Pacific Oriental Trading Co	5,632.33
22904.	June 21, 1902.	Pacific Oriental Trading Co	104,374.53
22905.	June 21, 1902.	Pacific Oriental Trading Co	33,148.86
22907.	June 25, 1902.	Robinson & Co	8,000.00
22908.	June 25, 1902.	Compañía General de Tabacos	25,984.64
		Total	3,523,618.07

Claims filed on and since July 1, 1902.

22913.	July 1, 1902.	McLeod & Co	$360,000.00
22914.	July 1, 1902.	C. Heinszin & Co	125,000.00
23117.	Nov. 28, 1902.	Pacific Oriental Trading Co	125,761.18
24313.	Oct. 30, 1903.	The American Commercial Co	3,011.37
24314.	Oct. 30, 1903.	The American Commercial Co	267,556.21
24315.	Oct. 30, 1903.	The American Commercial Co	3,591.52
24316.	Oct. 30, 1902.	The American Commercial Co	550,875.34
27736.	Apr. 11, 1905.	Stahl & Rumcker	$6,500.00
27737.	Apr. 11, 1905.	Lenora T. Aylade Xobel	5,500.00
27738.	Apr. 11, 1905.	Fabrica de Tabacos la Insular	400.00
27739.	Apr. 11, 1905.	Alfredo Chicote Beltran or Alfredo Chicote	5,500.00
27757.	Apr. 12, 1905.	The Standard Oil Co. of New York	173,221.44
27772.	Apr. 17, 1905.	John M. Switzer	20,000.00
27773.	Apr. 17, 1905.	Calder & Co	4,000.00
27774.	Apr. 17, 1905.	Lambert & Presty	2,600.00
27775.	Apr. 17, 1905.	Manila Navigation Co	3,100.00
27776.	Apr. 17, 1905.	Philippine Lumber and Development Co	1,400.00
27777.	Apr. 17, 1905.	J. Parsons	3,000.00
27778.	Apr. 17, 1905.	Teodore de los Reyes	1,900.00
27779.	Apr. 17, 1905.	Successors of R. Bren	375.00
25425.	June 15, 1904.	Cosme Blanco Herrera et al	35,000.00
26013.	Aug. 18, 1904.	Kuenzle & Strieff	140,000.00
26014.	Aug. 18, 1904.	Kuenzle & Strieff	175,000.00
26015.	Aug. 18, 1904.	Holliday, Wise & Co	117,000.00
27176.	Dec. 22, 1904.	Edward A. Keller Sturche	79,790.89
27177.	Dec. 22, 1904.	Edward A. Keller Sturche	2,226.27
27306.	Jan. 16, 1905.	American Sugar Refining Co	113,946.90
27379.	Feb. 4, 1905.	Use of Carmon & Co	6,000.00
27381.	Feb. 4, 1905.	Augustine Medel	31,425.00
27591.	Apr. 1, 1905.	Campanía General de Tabacos de Filipinas	25,936.55
27592.	Apr. 1, 1905.	E. C. McCullough & Co	72,050.00
27593.	Apr. 1, 1905.	Ynchansti Companie	9,740.00
27594.	Apr. 1, 1905.	American Hardware and Plumbing Co	14,610.00
27595.	Apr. 1, 1905.	Newhall & Fenner	5,357.00
27596.	Apr. 1, 1905.	Findlay & Co	19,967.00
27597.	Apr. 1, 1905.	Macondray & Co	40,395.00
27598.	Apr. 1, 1905.	Sackerman & Co	73,050.00
27599.	Apr. 1, 1905.	Lutz Moll & Co	100,000.00
27600.	Apr. 1, 1905.	Behm, Myer & Co	200,000.00
27607.	Apr. 1, 1905.	Campanía General de Tabacos de Filipinas	217,628.16
27608.	Apr. 1, 1905.	Sprungli & Co	3,477.86
27610.	Apr. 1, 1905.	Luchsinger & Co	5,000.00
27711.	Apr. 10, 1905.	Rita Donaldson Sim Valdez	30,000.00
27712.	Apr. 10, 1905.	Manuel T. Figueras	20,500.00
27713.	Apr. 10, 1905.	Compañía Maritima	5,750.00
27727.	Apr. 10, 1905.	Conrad Struckmann et al.[a]	8,442.83
27728.	Apr. 11, 1905.	Hoskyn & Co	4,700.00
27729.	Apr. 11, 1905.	Union Farmacentica Filipinas	2,100.00
27730.	Apr. 11, 1905.	Cesar Garcia, administrator of one Gomez	150,000.00
27731.	Apr. 11, 1905.	Manuel Earnshaw & Co	3,900.00
27732.	Apr. 11, 1905.	Juan Tuason, liquidator of G. Hollman & Co	40,000.00
27733.	Apr. 11, 1905.	Meerkamp & Co	900.00
27734.	Apr. 11, 1905.	Reyes & Smith	25,000.00
27735.	Apr. 11, 1905.	Kuenzle & Streiff	3,400.00
27780.	Apr. 17, 1905.	Forbes, Munn & Co	50,000.00
27781.	Apr. 17, 1905.	Felix Ullmann	5,000.00
27782.	Apr. 17, 1905.	E. J. Smith	25,000.00
27783.	Apr. 17, 1905.	D. H. Gulick	2,500.00
27650.	Apr. 10, 1905.	Levy Brothers	5,000.00
27651.	Apr. 10, 1905.	Henry D. Wolf	5,500.00
27652.	Apr. 10, 1905.	Erlanger & Galinger	20,000.00
27653.	Apr. 10, 1905.	Heacock & Freer	5,000.00
27654.	Apr. 10, 1905.	Carlos Gsell	4,600.00
27655.	Apr. 10, 1905.	L. J. Lambert	3,000.00
27656.	Apr. 10, 1905.	Daniel Denniston	2,000.00
27657.	Apr. 10, 1905.	The B. W. Cadwallader Co	7,000.00
27658.	Apr. 10, 1905.	John Gibson	3,500.00
27659.	Apr. 10, 1905.	El Verdadero de Manila	10,000.00
27660.	Apr. 10, 1905.	The Singer Manufacturing Co	8,500.00
27661.	Apr. 10, 1905.	Mariano y Chaco	5,000.00
27662.	Apr. 10, 1905.	M. A. Clarke	15,000.00
27663.	Apr. 10, 1905.	Greilcammer Bros	1,200.00
27664.	Apr. 10, 1905.	Camille Alkam	7,500.00
27665.	Apr. 10, 1905.	Francisco Reyes	7,000.00
27666.	Apr. 10, 1905.	Froloch & Kuttner	12,000.00
27667.	Apr. 10, 1905.	J. F. Ramirez	4,100.00
27668.	Apr. 10, 1905.	Rafaell Reyes	15,000.00
27669.	Apr. 10, 1905.	San Miguel Brewery	4,600.00
27670.	Apr. 10, 1905.	J. M. Tuason & Co	8,000.00
27671.	Apr. 10, 1905.	Alfredo Roensch	8,000.00
27672.	Apr. 10, 1905.	N. T. Hashim & Co	30,000.00
27673.	Apr. 10, 1905.	Pons & Co	100.00
27674.	Apr. 10, 1905.	Santos and Jaehrling	2,200.00
27675.	Apr. 10, 1905.	Blanc and Brunschwig	1,400.00
27676.	Apr. 10, 1905.	Paul Hube	2,400.00
27677.	Apr. 10, 1905.	Serre & Co	600.00
27678.	Apr. 10, 1905.	Vinda de M. Soler	1,900.00
27679.	Apr. 10, 1905.	A. G. Llbrant, Siegert	1,400.00
27680.	Apr. 10, 1905.	Ramon Moutes	2,100.00
27681.	Apr. 10, 1905.	Lutz & Co	1,600.00
27682.	Apr. 10, 1905.	Rita Donaldson Sim Valdez	10,000.00
27683.	Apr. 10, 1905.	La Compania Elextricista	8,200.00
27801.	Apr. 19, 1905.	W. F. Stevenson & Co	194,163.89
27820.	Apr. 24, 1905.	Angel Ortigm	30,480.00
27830.	Apr. 26, 1905.	Rueda Hermanos	1,417.00
27831.	Apr. 26, 1905.	Hubert y Guamis	1,800.00
27832.	Apr. 26, 1905.	Vinda de E. Bota	600.00
27833.	Apr. 26, 1905.	Cortijo & Co	650.00
27834.	Apr. 26, 1905.	Perez Hermanos	350.00
27835.	Apr. 26, 1905.	Luciano Cordoba	1,600.00
		Total	3,982,546.41

In the following cases preliminary petitions have been filed alleging indebtedness generally:

27848.	May 3, 1905.	David Sampson	$100,000.00
27849.	May 3, 1905.	Zeetvion	15,000.00
27850.	May 3, 1905.	H. Price	8,000.00
27851.	May 3, 1905.	James Norton	5,000.00

[a] Total of this claim is $184,723.77 Mexican currency; $176,280.94 is for duties on imports from Spain.

27852.	May 3, 1905.	Mariana Velasco	$4,000.00
27853.	May 3, 1905.	Weingarten Brothers	3,000.00
27854.	May 3, 1905.	Tanjoco Company	3,000.00
27855.	May 3, 1905.	Woodward Company	3,000.00
27856.	May 3, 1905.	Luttrell Darley	2,000.00
27857.	May 3, 1905.	Phil Selder	1,000.00
		Total	144,000.00

RECAPITULATION.

Total claims filed up to July 1, 1902	$3,523,618.07
Total claims filed on and since July 1, 1902	3,982,546.41
Petitions alleging indebtedness generally	144,000.00
Grand total	7,650,164.48

WILLIAM H. MOODY, *Attorney-General.*
HENRY M. HOYT, *Solicitor-General.*

In the Supreme Court of the United States, October term, 1904. Frederick W. Lincoln et al., plaintiffs in error, *v.* The United States. No. 149. Warner, Barnes & Co. (Limited), appellant, *v.* The United States. No. 466.

ON PETITION FOR REHEARING—CORRECTION AS TO STATEMENT OF CLAIMS FILED.

We inform the court that our statement of claims filed is erroneous in that we assumed the amounts to be in American currency, whereas many are in Mexican dollars. Furthermore, the list submitted to the court contained some claims of export duties and other items not involving the import tariff at all or imports from foreign countries. The list has now been carefully revised and corrected, and is appended hereto in accurate form. Claims on imports from Spain have been retained because of the provision of the treaty (Art. IV) that "the United States will, for the term of ten years from the date of the exchange of the ratifications of the present treaty, admit Spanish ships and merchandise to the ports of the Philippine Islands on the same terms as ships and merchandise of the United States."

The information originally given us led us to think that either the claims expressed in American currency on their face or that they had been reduced to that currency before the list was transmitted to us. We have just discovered these mistakes (which were inadvertent), and hasten to apprise the court that the amount of refunds due under the decision will not be $7,650,164.48, as stated, but somewhat less than half that amount, viz, $3,485,328.74.

This total does not include the particular claim of Warner, Barnes & Co. before the court, amounting to $81,126.65, nor the Lincoln claim, amounting to $713.42, and it is proper to add that the number and amount of claims, like the Lincoln claim, pending in other Federal courts than the Court of Claims, is at present unknown.

It is unnecessary to say that we had no intention or desire to exaggerate the consequences of the decision, and it is manifest that, allowing for the error made, the sum of money at stake is large enough to justify fully our previous references to the money importance of the issue.

WILLIAM H. MOODY, *Attorney-General.*
HENRY M. HOYT, *Solicitor-General.*

Claims filed up to July 1, 1902.

22761.	Jan. 25, 1902.	Smith, Bell & Co	$2,000.00
22808.	Feb. 27, 1902.	Guiterrez Hermanos	69,469.98
22809.	Feb. 27, 1902.	Juan B. Gomez	9,876.88
22810.	Feb. 27, 1902.	Juan B. Gomez	1,563.55
22812.	Mar. 3, 1902.	Warner, Barnes & Co	700.00
22816.	Mar. 5, 1902.	Perez & Co	700.00
22817.	Mar. 5, 1902.	Perez & Co	8,000.00
22823.	Mar. 13, 1902.	Ker & Co	90,000.00
22825.	Mar. 13, 1902.	Ker & Co	2,150.00
22879.	May 19, 1902.	Jacob H. Ankrom	72,568.43
22904.	June 21, 1902.	Pacific Oriental Trading Co	104,374.53
22905.	June 21, 1902.	Pacific Oriental Trading Co	33,148.86
22907.	June 25, 1902.	Robinson & Co	60,000.00
		Total	454,552.23

Claims filed on and since July 1, 1902.

22914.	July 1, 1902.	C. Helnszen & Co	$125,000.00
23117.	Nov. 28, 1902.	Pacific Oriental Trading Co	125,761.18
24313.	Oct. 30, 1903.	The American Commercial Co	3,011.37
24314.	Oct. 30, 1903.	The American Commercial Co	267,556.21
24315.	Oct. 30, 1903.	The American Commercial Co	3,591.52
24316.	Oct. 30, 1902.	The American Commercial Co	550,875.34
27736.	Apr. 11, 1905.	Stahl & Rumcker	6,500.00
27737.	Apr. 11, 1905.	Lenora T. Aylade Zobel	5,500.00
27738.	Apr. 11, 1905.	Fabricade Tabacos La Insular	400.00
27739.	Apr. 11, 1905.	Alfredo Chicote Beltran or Alfredo Chicote	5,500.00
27757.	Apr. 12, 1905.	The Standard Oil Co., of New York	173,221.44
27772.	Apr. 17, 1905.	John M. Switzer	20,000.00
27773.	Apr. 17, 1905.	Calder & Co	4,000.00
27774.	Apr. 17, 1905.	Lambert & Presty	2,600.00
27775.	Apr. 17, 1905.	Manila Navigation Co	3,100.00
27776.	Apr. 17, 1905.	Philippine Lumber and Development Co	1,400.00
27777.	Apr. 17, 1905.	John Parsons	3,000.00
27778.	Apr. 17, 1905.	Teodore de los Reyes	1,900.00
27779.	Apr. 17, 1905.	Successors of R. Bren	375.00
26013.	Aug. 18, 1904.	Kuenzle & Strieff	140,000.00
26014.	Aug. 18, 1904.	Kuenzle & Strieff	175,000.00
26015.	Aug. 18, 1904.	Holliday, Wise & Co	117,000.00
27176.	Dec. 22, 1904.	Edward A. Keller Sturche	79,790.89
27177.	Dec. 22, 1904.	Edward A. Keller Sturche	2,226.27
27591.	Apr. 1, 1905.	Compania General de Tabacos de Filipinos	25,936.55
27592.	Apr. 1, 1905.	E. C. McCullough & Co	72,050.00
27593.	Apr. 1, 1905.	Ynchansti Companie	9,740.00
27594.	Apr. 1, 1905.	American Hardware & Plumbing Co	14,610.00
27595.	Apr. 1, 1905.	Newhall & Fenner	5,357.00
27596.	Apr. 1, 1905.	Findlay & Co	19,967.00
27597.	Apr. 1, 1905.	Macondray & Co	40,395.00
27598.	Apr. 1, 1905.	Sackerman & Co	36,525.00
27599.	Apr. 1, 1905.	Lutz, Moll & Co	50,000.00
27600.	Apr. 1, 1905.	Behm, Myer & Co	100,000.00
27608.	Apr. 1, 1905.	Sprungli & Co	3,477.86
27712.	Apr. 10, 1905.	Manuel T. Figueras	$20,500.00
27713.	Apr. 10, 1905.	Compania Maritima	5,750.00
27727.	Apr. 10, 1905.	Conrad Struckmann et al	92,361.88
27728.	Apr. 11, 1905.	Hoskyn & Co	4,700.00
27729.	Apr. 11, 1905.	Union Farmacentica Filipinas	2,100.00
27730.	Apr. 11, 1905.	Cesar Garcia, administrator of one Gomez	150,000.00
27731.	Apr. 11, 1905.	Manuel Earnshaw & Co	3,900.00
27732.	Apr. 11, 1905.	Juan Tuason, liquidator of G. Hollman & Co	40,000.00
27733.	Apr. 11, 1905.	Meerkamp & Co	900.00
27734.	Apr. 11, 1905.	Reyes & Smith	25,000.00
27735.	Apr. 11, 1905.	Kuenzle & Strieff	3,400.00
27780.	Apr. 17, 1905.	Forbes, Munn & Co	50,000.00
27781.	Apr. 17, 1905.	Felix Ullmann	5,000.00
27782.	Apr. 17, 1905.	E. J. Smith	25,000.00
27783.	Apr. 17, 1905.	D. H. Gulick	2,500.00
27650.	Apr. 10, 1905.	Levy Brothers	5,000.00
27651.	Apr. 10, 1905.	Henry D. Wolf	5,500.00
27652.	Apr. 10, 1905.	Erlanger & Galinger	20,000.00
27653.	Apr. 10, 1905.	Heacock & Freer	5,000.00
27654.	Apr. 10, 1905.	Carlos Gsell	4,600.00
27655.	Apr. 10, 1905.	L. J. Lambert	3,000.00
27656.	Apr. 10, 1905.	Daniel Denniston	2,000.00
27657.	Apr. 10, 1905.	The B. W. Cadwalader Co	7,000.00
27658.	Apr. 10, 1905.	John Gibson	3,500.00
27659.	Apr. 10, 1905.	El Verdadero de Manila	10,000.00
27660.	Apr. 10, 1905.	The Singer Manufacturing Co	8,500.00
27661.	Apr. 10, 1905.	Mariano y Chaco	5,000.00
27662.	Apr. 10, 1905.	M. A. Clarke	15,000.00
27663.	Apr. 10, 1905.	Greilsammer Bros	1,200.00
27664.	Apr. 10, 1905.	Camille Alkam	7,500.00
27665.	Apr. 10, 1905.	Francisco Reyes	7,000.00
27666.	Apr. 10, 1905.	Froloch & Kuttner	12,000.00
27667.	Apr. 10, 1905.	J. F. Ramirez	4,100.00
27668.	Apr. 10, 1905.	Rafael Reyes	15,000.00
27669.	Apr. 10, 1905.	San Miguel Brewery	4,600.00
27670.	Apr. 10, 1905.	J. M. Tuason & Co	8,000.00
27671.	Apr. 10, 1905.	Alfredo Roensch	8,000.00
27672.	Apr. 10, 1905.	N. T. Hashim & Co	30,000.00
27673.	Apr. 10, 1905.	Pons & Co	100.00
27674.	Apr. 10, 1905.	Santos & Jaehrling	2,200.00
27675.	Apr. 10, 1905.	Blanc & Brunschwig	1,400.00
27676.	Apr. 10, 1905.	Paul Hube	2,400.00
27677.	Apr. 10, 1905.	Serre & Co	600.00
27678.	Apr. 10, 1905.	Viuda de M. Soler	1,900.00
27679.	Apr. 10, 1905.	A. G. Librant, Siegert	1,400.00
27680.	Apr. 10, 1905.	Ramon Montes	2,100.00
27681.	Apr. 10, 1905.	Lutz & Co	1,600.00
27682.	Apr. 10, 1905.	Rita Donaldson Sim Valdez	10,000.00
27683.	Apr. 10, 1905.	La Compañía Electricista	8,200.00
27820.	Apr. 24, 1905.	Angel Ortigm	30,480.00
27830.	Apr. 26, 1905.	Rueda Hermanos	1,417.00
27831.	Apr. 26, 1905.	Hubert y Guamis	1,800.00
27832.	Apr. 26, 1905.	Vinda de E. Bota	600.00
27833.	Apr. 26, 1905.	Cortijo & Co	650.00
27834.	Apr. 26, 1905.	Perez Hermanos	350.00
27835.	Apr. 26, 1905.	Luciano Cordoba	1,600.00
		Total	2,886,776.51

In the following cases preliminary petitions have been filed, alleging indebtedness generally:

27848.	May 3, 1905.	David Sampson	$100,000.00
27849.	May 3, 1905.	Zeetvion	15,000.00
27850.	May 3, 1905.	H. Price	8,000.00
27851.	May 3, 1905.	James Norton	5,000.00
27852.	May 3, 1905.	Mariano Velasco	4,000.00
27853.	May 3, 1905.	Weingarten Bros	3,000.00
27854.	May 3, 1905.	Tanjoco Co	3,000.00
27855.	May 3, 1905.	Woodward Co	3,000.00
27856.	May 3, 1905.	Luttrell Darley	2,000.00
27857.	May 3, 1905.	Phil Seldner	1,000.00
			144,000.00

RECAPITULATION.

Total claims filed up to July 1, 1902	$454,552.23
Total claims filed on and since July 1, 1902	2,886,776.51
Petitions alleging indebtedness generally	144,000.00
Grand total	3,485,328.74

In the Supreme Court of the United States, October term, 1904. Frederick W. Lincoln, Henry W. Peabody, John R. Bradlee, and Charles D. Barry, trading as copartners under the firm name and style of Henry W. Peabody & Co., plaintiffs in error, *v.* The United States. No. 149. In error to the district court of the United States for the southern district of New York. Warner, Barnes & Co. (Limited), appellant, *v.* The United States. No. 466. Appeal from the Court of Claims.

Mr. DALZELL. How is the time, Mr. Speaker?

The SPEAKER. The gentleman from Mississippi has five minutes and the gentleman from Pennsylvania twelve.

Mr. DALZELL. Will the gentleman use his five minutes?

Mr. WILLIAMS. Will the gentleman use the balance of his time in one speech?

Mr. DALZELL. I yield the balance of my time to the gentleman from Ohio—all to be used in one speech, I think.

Mr. COCKRAN. Will the gentleman from Pennsylvania yield for a question? Following the statement of the case presented by the gentleman from Massachusetts, I take it that the fact that these moneys have been collected is conceded, and that the Supreme Court has held that collection was illegal.

Mr. DALZELL. No; not necessarily.

Mr. COCKRAN. Does the gentleman dispute that question of fact?

Mr. DALZELL. It is in dispute.

Mr. COCKRAN. Do you dispute that the Supreme Court had held——

Mr. DALZELL. I assume and assert that the matter is still within the power of Congress to regulate.

Mr. COCKRAN. That is not exactly my question. It was whether the Supreme Court had held in a suit, in the absence of this legislation by Congress, that the collection was illegal.

Mr. DALZELL. The Supreme Court has held that the act that Congress passed intended to ratify and legalize the collection of these taxes did not legalize and ratify the collection of all of them; that some of them were not covered by the order under which they were collected.

Mr. COCKRAN. So that the object of this legislation now is to make legal what at the present time is without warrant of law?

Mr. DALZELL. The object of this legislation is that Congress now shall do what it had the power to do, even if it did not before.

Mr. WILLIAMS. But in the absence of doing, the Executive did. Will the gentlemen on the other side conclude their remarks in one speech?

Mr. GROSVENOR. That will be the case.

Mr. WILLIAMS. Then I yield five minutes to the gentleman from New York [Mr. FITZGERALD].

Mr. FITZGERALD. Mr. Speaker, the question before the House is whether the House will adopt a rule to authorize the consideration of a provision already reported upon an appropriation bill. That that is a provision that requires careful consideration, and ample consideration by some committee of the House, is apparent from the statement of the gentleman from Massachusetts. It has never received consideration from any committee of the House. It was hurriedly placed upon the appropriation bill, and it will receive scant consideration from the Committee of the Whole House. It is asserted in justification that it was the intention of Congress in the act of July, 1902, to ratify all the taxes collected under the Executive order. Let me read what the Supreme Court said on the 28th of May:

> Moreover, the act of July, 1902, was passed with full knowledge and after careful consideration of the decision of this court, and Congress was aware that grave doubt, at least, had been thrown upon its power to ratify the taxes under circumstances like the present.

I read now from the De Lima case, to which Justice Fuller refers, in which Mr. Justice Brown said, referring to the act applying to the revenues collected from Porto Rico:

> * * * Perhaps we might go further, and say that so far as these duties were paid voluntarily and without protest, the legality of that payment was entitled to be recognized; but it could have no retroactive effect as to money paid under protest, for which action to recover back had already been brought.

And this provision is for the cases in which actions have already been brought.

> To say that Congress could by subsequent act deprive them of the right to prosecute this action would be beyond its power. In any event, it should not be interpreted so as to make it retroactive.

Now, then, with this decision of the Supreme Court, this House is asked to take the chance that this provision to confiscate property to which the Supreme Court has already decided litigants are entitled will by some means be sustained by the Supreme Court of the United States.

I am opposed to legislation which has the effect to nullify a decision of the Supreme Court, made in cases intended as tests, in actions then pending. I do not believe that the mere fact that a large sum of money, three or four million dollars, is involved is sufficient to justify Gongress in such an act, constituting at the least bad faith. If our courts have decided that in the administration of the public affairs money has been illegally exacted from citizens or from aliens, then the highest considerations of justice and good faith demand that the Government shall refund to those from whom these moneys have been illegally exacted that to which they are entitled, and no condition of affairs confronts this country that would justify the confiscation of this property.

In my judgment legislation of this character should be considered either by the Committee on the Judiciary, the Committee on Ways and Means, or the committee which has jurisdiction of tariff matters with the Philippines, or at least properly considered by some committee, and the result of its deliberations submitted to the House for its advice and action. Then the House could act intelligently and properly. [Applause.]

Mr. DALZELL. I yield the balance of my time to the gentleman from Ohio [Mr. GROSVENOR].

Mr. COCKRAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COCKRAN. Is the effect of this resolution, if adopted, to place this amendment before the Committee of the Whole for its discussion and adoption or rejection, or does the adoption of this rule ipso facto adopt the proposition itself?

The SPEAKER. If the gentleman will notice the rule, it merely makes it in order to consider the proposition in the Committee of the Whole House on the state of the Union—that and that only.

Mr. DALZELL. This puts the paragraph that went out on a point of order back again.

Mr. COCKRAN. It throws it all open to the committee?

Mr. DALZELL. Certainly.

Mr. GROSVENOR. Mr. Speaker, this is a very important question. It is a question of law, a question of proper legislation, and the gentleman from New York [Mr. FITZGERALD] says it is a question of honor. The interior facts of this case can be very briefly stated. A set of importers and exporters, mainly foreigners, the list of whose names I can not read because I can not pronounce them, imported into this country and imported into the Philippine Islands large amounts of goods, sold them with the duties added, and pocketed their profits. Now they are seeking to recover back the duties, and do not make any proposition to give back to the people who paid the duties any part of the money. There is a large sum involved, and some of the biggest lawyers in New York, and perhaps Massachusetts, are engaged in the prosecution of these claims. I have here a list of the attorneys. Under the statement of the gentleman from Massachusetts that France is involved, and that Germany is involved in it, and that Spain is involved in it, it becomes a matter that ought to be very carefully and cautiously considered by the Congress of the United States.

The reason why this claim did not come to the Committee on Appropriations in time for its consideration is made very plain and easily understood when you recognize the fact that the decision necessitating this action of Congress was not rendered by the Supreme Court of the United States until the 28th day of May last, less than a month ago, probably not many days if at all prior to the time when the Committee on Appropriations were engaged in the work of constructing the general deficiency bill. So if there was any lack of ample consideration by the committee at the time they agreed to put this proposition into the bill, it is not a new question, nevertheless. It has been discussed by the Cabinet of the President; the distinguished Secretary of War has presented his views over and over again in writing, and has made a very strong contention through the Attorney-General's office in favor of the position now taken by the Government. So much now for the importance of the matter.

What is sought by the adoption of this rule? It is simply to give to the House of Representatives jurisdiction to try and determine the propriety of this legislation. Surely this House will not shrink from the duty of trying this question; and upon the ex parte statement by counsel—I beg pardon, by gentlemen on the other side—the Administration is called to a hearing and a trial before this Congress.

Mr. SHERLEY. What effort, if any, was made to get this matter considered by the Judiciary Committee, the committee that ordinarily would have jurisdiction of it?

Mr. GROSVENOR. I give it up. I do not know.

Mr. SHERLEY. Do you not think it somewhat extraordinary, in the closing hours of this session of Congress, to give consideration of this important matter in this way, without any consideration by the Judiciary Committee?

Mr. GROSVENOR. Not at all. Ordinarily the point of the gentleman might be well taken, but under existing circumstances the Government has argued this case in all its aspects before the highest tribunal of the country, and we have the opinion of the country that we believe fully justifies this legislation. So that it would have been an idle process to have sent this matter to the Judiciary Committee for their opinion, when we had the opinion of the law department of the Government on our side.

Mr. SHERLEY. Will the gentleman yield?

Mr. GROSVENOR. Yes.

Mr. SHERLEY. If I understand the gentleman, this is in the nature of an appeal from the Supreme Court?

Mr. GROSVENOR. I think the gentleman understands how near this is in the nature of an appeal from the Supreme Court. It is no appeal from the Supreme Court. The Supreme Court simply pointed out that the legislation of Congress did not cover what Congress understood it was to cover, and at the same time we have the authorities here to show when the proper time comes that Congress had the undoubted power at the time, and now has, to exercise that power and to leave to the parties on the other side who are seeking this enormous graft upon the Treasury of the United States—to let them proceed with their cases and meet the proposition of the Government that we will put into this bill if this order is agreed to.

Mr. STERLING. Does the gentleman know whether there is any statute of limitations that would bar these claimants if they had delayed bringing suit, awaiting the decision of the Warren-Barnes case?

Mr. GROSVENOR. I do not know. I think the suits are all filed, and I think we have the contract showing who is to get the bigger part of the money—the friends of the gentleman from New York——

Mr. FITZGERALD. I beg the gentleman's pardon.

Mr. GROSVENOR. I hope the gentleman from New York does not think I make any reflection upon him.

Mr. FITZGERALD. I do not think the gentleman does, but the language might.

Mr. GROSVENOR. Well, I will put it mountains strong that I meant nothing of the sort.

Mr. FITZGERALD. Let me ask the gentleman a question. Did not Chief Justice Fuller in his opinion on the rehearing say that Congress had an opportunity to consider the case?

Mr. GROSVENOR. I do not want the gentleman to take up my time. I have no doubt that the judge of the court delivering the opinion did put it on the ground that Congress had had an opportunity and might have done more than it did, and that they did not do all that they thought they were doing. But at the same time we claim that we have abundant authority to show that the present action of Congress will retroact and validate the position we have taken.

Mr. FITZGERALD. But the court does not say anything of the kind.

Mr. GROSVENOR. If that is so, then these importers are not harmed. If it is not true that Congress hadn't power then and has the power now, then your suits will go on to judgment, and if this legislation is not enacted, then the United States is barred and the Treasury will be plundered $15,000,000 or $20,000,000, so the wrong will be inflicted against the Government and not against the claimants.

Mr. WALDO. Will the gentleman yield for a question?

Mr. GROSVENOR. Yes.

Mr. WALDO. The gentleman spoke of some contract by which a large amount, if recovered, is going to some one else. Has the gentleman any objection to stating who those men are?

Mr. GROSVENOR. Yes; I have. I like to have lawyers get big fees and plenty of them, especially when they are coming out of foreign importers.

Mr. WALDO. It would seem, unless the act is passed, that the 50 or 60 per cent you are talking about would come out of the United States and not out of the foreign importers.

Mr. GROSVENOR. It will all come out of the United States.

Mr. COCKRAN. Out of the Philippine treasury.

Mr. GROSVENOR. They are taking the money, every dollar of it most, out of the Treasury now. I hope the House will pass this resolution and let us thrash it out, so as to get at what is really the rights in the premises.

The question was taken; and on a division (demanded by Mr. WILLIAMS) there were—ayes 111, noes 68.

Mr. WILLIAMS. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 154, nays 82, answered "present" 15, not voting 128, as follows:

YEAS—154.

Acheson	Darragh	Higgins	Madden
Adams	Davidson	Hinshaw	Mahon
Alexander	Davis, Minn.	Hoar	Mann
Allen, N. J.	Dawson	Holliday	Marshall
Bannon	Denby	Howell, N. J.	Michalek
Barchfeld	Dickson, Ill.	Howell, Utah	Miller
Bates	Dixon, Mont.	Hubbard	Moon, Pa.
Bennet, N. Y.	Dresser	Huff	Morrell
Bennett, Ky.	Driscoll	Humphrey, Wash.	Mouser
Bishop	Dunwell	Jenkins	Needham
Bonynge	Dwight	Jones, Wash.	Nevin
Boutell	Ellis	Kahn	Olcott
Brick	Esch	Keifer	Olmsted
Brooks, Colo.	Fassett	Kennedy, Nebr.	Otjen
Burke, Pa.	Fletcher	Kennedy, Ohio	Parker
Burton, Del.	Foster, Ind.	Kinkaid	Payne
Burton, Ohio	Foster, Vt.	Klepper	Perkins
Calderhead	Fowler	Lacey	Reynolds
Campbell, Kans.	French	Lafean	Rives
Campbell, Ohio	Fulkerson	Landis, Chas. B.	Roberts
Capron	Fuller	Lawrence	Rodenberg
Cassel	Gaines, W. Va.	Le Fevre	Samuel
Chapman	Gardner, Mass.	Lilley, Conn.	Schneebeli
Cocks	Gardner, Mich.	Littauer	Scott
Cole	Gilbert, Ind.	Loud	Sherman
Conner	Goebel	Loudenslager	Smith, Cal.
Cooper, Wis.	Graff	McCarthy	Smith, Ill.
Coudrey	Grosvenor	McCreary, Pa.	Smith, Iowa
Cousins	Hale	McGavin	Smith, Wm. Alden
Cromer	Hamilton	McKinlay, Cal.	Smyser
Crumpacker	Haskins	McKinley, Ill.	Snapp
Currier	Hayes	McKinney	Southwick
Curtis	Henry, Conn.	McLachlan	Sperry
Dalzell	Hermann	McMorran	Stafford
Steenerson	Tirrell	Watson	Wilson
Sterling	Townsend	Webber	Wood
Sulloway	Volstead	Weeks	Young
Tawney	Waldo	Weems	
Thomas, Ohio	Wanger	Wiley, N. J.	

NAYS—82.

Adamson	Fitzgerald	Kitchin, Claude	Rhinock
Bankhead	Flood	Kitchin, Wm. W.	Rixey
Bartlett	Floyd	Lamar	Rucker
Beall, Tex.	Garber	Lamb	Ruppert
Bell, Ga.	Garrett	Lee	Russell
Broussard	Gill	Lever	Ryan
Brundidge	Gillespie	Lindsay	Sheppard
Burgess	Granger	Livingston	Sherley
Burleson	Gregg	Lloyd	Sims
Burnett	Griggs	McCall	Smith, Md.
Byrd	Hay	McNary	Sullivan, Mass.
Candler	Heflin	Macon	Sulzer
Clark, Fla.	Henry, Tex.	Maynard	Talbott
Clark, Mo.	Hill, Miss.	Moon, Tenn.	Trimble
Cockran	Hopkins	Moore	Underwood
Davey, La.	Houston	Murphy	Wallace
Davis, W. Va.	Humphreys, Miss.	Padgett	Watkins
De Armond	Hunt	Patterson, S. C.	Webb
Dixon, Ind.	Johnson	Pou	Williams
Ellerbe	Jones, Va.	Pujo	
Finley	Kelliher	Ransdell, La.	

ANSWERED "PRESENT"—15.

Bradley	Gaines, Tenn.	Gudger	Parsons
Burleigh	Glass	Hardwick	Richardson, Ky.
Butler, Pa.	Graham	James	Spight
Dale	Greene	Meyer	

NOT VOTING—128.

Aiken	Flack	Littlefield	Shartel
Allen, Me.	Fordney	Longworth	Sibley
Ames	Foss	Lorimer	Slayden
Andrus	Gardner, N. J.	Lovering	Slemp
Babcock	Garner	McCleary, Minn.	Small
Bartholdt	Gilbert, Ky.	McDermott	Smith, Ky.
Bede	Gillett, Cal.	McLain	Smith, Samuel W.
Beidler	Gillett, Mass.	Martin	Smith, Pa.
Bingham	Goldfogle	Minor	Smith, Tex.
Birdsall	Goulden	Mondell	Southall
Blackburn	Gronna	Mudd	Southard
Bowers	Haugen	Murdock	Sparkman
Bowersock	Hearst	Norris	Stanley
Bowie	Hedge	Overstreet	Stephens, Tex.
Brantley	Hepburn	Page	Stevens, Minn.
Broocks, Tex.	Hill, Conn.	Palmer	Sullivan, N. Y.
Brown	Hitt	Patterson, N. C.	Taylor, Ala.
Brownlow	Hogg	Patterson, Tenn.	Taylor, Ohio
Buckman	Howard	Pearre	Thomas, N. C.
Burke, S. Dak.	Hughes	Pollard	Towne
Butler, Tenn.	Hull	Powers	Tyndall
Calder	Ketcham	Prince	Van Duzer
Chaney	Kline	Rainey	Van Winkle
Clayton	Knapp	Randell, Tex.	Vreeland
Cooper, Pa.	Knopf	Reeder	Wachter
Cushman	Knowland	Reid	Wadsworth
Dawes	Landis, Frederick	Rhodes	Weisse
Deemer	Law	Richardson, Ala.	Welborn
Dovener	Legare	Robertson, La.	Wharton
Draper	Lewis	Robinson, Ark.	Wiley, Ala.
Edwards	Lilley, Pa.	Scroggy	Woodyard
Field	Little	Shackleford	Zenor

So the motion was agreed to.

The Clerk announced the following pairs:

For the session:

Mr. HULL with Mr. SLAYDEN.

Mr. BRADLEY with Mr. GOULDEN.

Mr. FOSS with Mr. MEYER.

Mr. DALE with Mr. BOWIE.

Until further notice:

Mr. BABCOCK with Mr. LITTLE.

Mr. ANDRUS with Mr. THOMAS of North Carolina.

Mr. SOUTHARD with Mr. HARDWICK.

Mr. LILLEY of Pennsylvania with Mr. GILBERT of Kentucky.

Mr. BUTLER of Pennsylvania with Mr. GARNER.

Mr. HILL of Connecticut with Mr. BUTLER of Tennessee.

Mr. BIRDSALL with Mr. HEARST.

Mr. BROWNLOW with Mr. SMITH of Texas.

Mr. DEEMER with Mr. KLINE.

Mr. GREENE with Mr. PATTERSON of North Carolina.

Mr. FULLER with Mr. RICHARDSON of Kentucky.

Mr. GRAHAM with Mr. PAGE.

Mr. HUGHES with Mr. REID.

Mr. HEDGE with Mr. SPIGHT.

Mr. EDWARDS with Mr. BROOCKS of Texas.

Mr. LONGWORTH with Mr. STEPHENS of Texas.

Mr. DOVENER with Mr. SPARKMAN.

Mr. HITT with Mr. LEGARE.

Mr. LA FEVRE with Mr. CLAUDE KITCHIN.

Mr. WELBORN with Mr. GUDGER.

Mr. POWERS with Mr. GAINES of Tennessee.

Mr. SLEMP with Mr. GLASS.

Mr. VREELAND with Mr. FIELD.

For the day:

Mr. WACHTER with Mr. WILEY of Alabama.

Mr. WOODYARD with Mr. SOUTHALL.

Mr. SAMUEL W. SMITH with Mr. STANLEY.
Mr. SIBLEY with Mr. SMALL.
Mr. RHODES with Mr. SHACKLEFORD.
Mr. PALMER with Mr. SMITH of Kentucky.
Mr. MURDOCK with Mr. ROBINSON of Arkansas.
Mr. MUDD with Mr. TAYLOR of Alabama.
Mr. LAW with Mr. REID.
Mr. KNOWLAND with Mr. RAINEY.
Mr. KNAPP with Mr. TOWNE.
Mr. KETCHAM with Mr. RANDELL of Texas.
Mr. HEPBURN with Mr. RICHARDSON of Alabama.
Mr. FORDNEY with Mr. PATTERSON of Tennessee.
Mr. DRAPER with Mr. MCLAIN.
Mr. DAWES with Mr. LEWIS.
Mr. COOPER of Pennsylvania with Mr. HOWARD.
Mr. GILLETT of Massachusetts with Mr. CLAYTON.
Mr. BOWERSOCK with Mr. GOLDFOGLE.
Mr. BINGHAM with Mr. BOWERS.
Mr. BEIDLER with Mr. AIKEN.
Mr. BUCKMAN with Mr. ROBERTSON of Louisiana.
Mr. LITTLEFIELD with Mr. SULLIVAN of New York.
Mr. BURLEIGH with Mr. MCDERMOTT.
Mr. BEDE with Mr. BRANTLEY.
Mr. PEARRE with Mr. VAN DUZER.
For the vote:
Mr. WADSWORTH with Mr. ZENOR.
The result of the vote was announced as above recorded.

GENERAL DEFICIENCY BILL.

On motion of Mr. LITTAUER, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 20403—the general deficiency bill, Mr. CRUMPACKER in the chair.

The CHAIRMAN. When the committee rose on yesterday there was pending a point of order to the paragraph in the bill on page 23 beginning on line 10 and extending to and including line 24. The paragraph carries an appropriation to reimburse the State of Texas for moneys expended by that State in defending its frontier against Mexican marauders and Indian depredations prior to June 20, 1860. The point of order was made by the gentleman from Pennsylvania [Mr. DALZELL] that there is no law authorizing an appropriation for the payment of the claim. Under the rules of the House no provision can be carried in a general appropriation bill for the payment of a claim against the Government of the United States unless the payment of the claim is clearly authorized by existing law. In the case now under consideration the State of Texas a number of years ago expended a considerable sum of money in defending its borders against invasion, primarily for the protection of its own citizens, but in doing that the State performed a duty that under the Federal Constitution belonged to the United States Government. There was no law then and there is no law now authorizing the reimbursement of States that expend funds in the execution of a service of the character mentioned.

In 1859 and in 1860 Congress made appropriations covering portions of the claim of the State of Texas included in the paragraph under consideration. In 1859 the appropriation was for the expense of six companies of State militia for a period of three months. In 1860 Congress extended the provisions of the law of 1859 so as to cover all the troops of the State of Texas that were engaged in defending the frontier, the State militia and the rangers, limiting the amount, however, to about $123,000. Those are the only acts of legislation that Congress ever made upon the subject. The apropriations were not drawn by the State, and under the operation of a general statute lapsed and were covered into the Treasury. In the general deficiency bill for 1905 a provision was incorporated directing the Secretary of War to inquire into and report to Congress for its consideration what sums of money were actually expended by the State of Texas during the period between February 28, 1855, and June 21, 1860, in payment of State volunteers or rangers called into service by authority of the government of Texas in defense of the frontier of that State against Mexican marauders and Indian depredations, for which reimbursement has not been made out of the Treasury of the United States.

The original acts of Congress appropriating money for the reimbursement of the State did not cover the entire claim that is contained in the paragraph under consideration, and therefore it is not necessary for the Chair to determine whether those appropriation acts—the appropriations having lapsed and been covered into the Treasury—constitute a continuing liability on the part of the Government for the payment of the claim or whether they were coupled with the appropriations and ceased to operate after the appropriations lapsed. If there is any law for the payment of this claim, it is contained in the provision the Chair just quoted in the general deficiency act for the fiscal year 1905. The question is whether by that provision Congress created a legal liability upon the United States for the payment of this claim. The Chair is of the opinion that the provision did not create such liability. The Secretary of War was directed to inquire into the claim and report "for the consideration of Congress"—not for payment, but "for the consideration of Congress." The language fairly implies that Congress intended to further consider the question in the light of any new facts that might be developed by the investigation of the Secretary of War.

Mr. LIVINGSTON. Pardon me just there for one moment. I agree with the Chair that the War Department reported this matter for consideration. Now, I make this suggestion to the Chair, that if you sustain the point of order you defeat the purpose for which the War Department made the investigation, and you defeat the purpose of Congress in setting out the request to the War Department in 1905. You stop the consideration—just the thing we want done.

The CHAIRMAN. The Chair is of the opinion that when Congress creates a commission to make an investigation of a particular subject or authorizes a Department to make such investigation for the consideration of Congress, that act does not commit the Federal Government to the project. The investigation is for information to enable Congress to intelligently determine what the position of the Government shall be in reference to the matter.

The investigation made by the Secretary of War was for the information of Congress. Congress, in the light of the investigation, was supposed to act upon the question of liability and decide whether the Government should assume the payment of the claim. Merely ordering the investigation did not amount to an assumption of the claim by the Government. Congress has the right to assume and pay the claim, but under the rules of the House a general appropriation bill can not carry a provision for its payment until Congress, by suitable action, has legally committed the Government to its payment. The Chair is clearly of the opinion that Congress did not create a legal liability on the part of the Government to pay the claim by the provision in the act of 1905, and therefore the Committee on Appropriations had no right to incorporate in this bill a provision for its payment

Mr. LIVINGSTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LIVINGSTON. Did not the action of the House in referring this matter to the War Department in 1905, and the action of the War Department, in its report, returning it to the House, put that matter before Congress on its merits? And will not the sustaining of the point of order rob Congress of testing this matter on its merits?

The CHAIRMAN. It may have put the whole question before the Congress on its merits, but in distributing the business of the House under the rules appropriate committees investigate questions on their merits and report measures for action by the House; but the Committee on Appropriations, in making up general bills, is not supposed to investigate questions upon their merits, but to appropriate for objects authorized by law, the merits of which have been investigated by other committees and by Congress. A few years ago a provision similar to the one under consideration was incorporated in the naval appropriation bill, a provision authorizing the appointment of a commission to select a site for a naval training station on the Great Lakes and to ascertain the cost of the site and report to Congress. That commission was appointed and made a report, selecting a site and reporting the cost of the site to Congress. In the following naval appropriation bill a proposition was embodied providing an appropriation for the establishment of the naval training station, and a point of order was made against the provision and sustained on the ground that the creation of the commission for the purpose of investigating the question did not commit the Government to the project at all, but that it was only for the enlightenment of Congress. The Chair regards that decision directly in point, so far as the principle is concerned. The point of order is sustained. The Clerk will read.

The Clerk read as follows:

Under the chief signal officer: For the purpose of replacing signal stores and equipments destroyed by fire while on storage in warehouse at Arlington Dock, Seattle, Wash., May 7, 1906, to be made available during the fiscal years 1906 and 1907, $15,000.

Mr. LITTAUER. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

On page 25, after line 16, insert:

"QUARTERMASTER'S DEPARTMENT.

"Regular supplies: For regular supplies for the Quartermaster's Department on account of the fiscal year 1906, including all objects mentioned under this head in the Army appropriation act for the fiscal year 1906, $500,000."

Mr. LITTAUER. Mr. Chairman, in justice to the committee some explanation for the insertion of so large an item should be given. Its necessity arises for the reason that a submission sent to the Senate did not reach the House. The Secretary of War, through the Secretary of the Treasury, on January 30 of this year, sent a communication to the Senate that there would be a deficiency or that there was required for deficiency under the title of "Regular supplies, Quartermaster's Department," $600,000. Since the bill has been before the House the Secretary of War communicated with us, advising us that $374,000 has already been contracted for. The law gives the right to the War Department to contract for necessary expenditures of this character and $500,000 will be necessary to cover the deficiencies thus arising under the law.

Mr. LIVINGSTON. Now, what is this difference between the $374,000 and $500,000 for?

Mr. TAWNEY. The difference between $375,000 and $500,000 is to meet the payment of bills or obligations now outstanding, but which will come in after the close of the fiscal year. The Quartermaster-General estimates that that will not be sufficient to meet those bills by the Secretary of War.

Mr. LITTAUER. The submission was $600,000.

Mr. LIVINGSTON. Then practically the whole sum is outstanding obligations.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York.

The question was taken; and the amendment was agreed to.

The Clerk read as follows:

To reimburse William H. Green for loss of time and doctor's fees on account of injury from an accident while employed at the House of Representatives Office Building, $250.

Mr. FITZGERALD. I make the point of order upon that item.

The CHAIRMAN. The gentleman from New York makes the point of order against the paragraph just read.

Mr. LITTAUER. I have nothing to say against the point of order, Mr. Chairman; it is plainly subject to it. The man was injured in Government work.

Mr. FITZGERALD. I understand that no committee has recommended any such appropriations as this, and there are a number of men continually being injured on public work.

Mr. LITTAUER. No committee has recommended this except the Committee on Appropriations. It was submitted to the committee by the superintendent of buildings and grounds in charge of this work.

Mr. FITZGERALD. That is a very poor reason to depart from the rule. I have a great number of constituents who have been seriously injured on Government work, and they can not get relief, and I believe that the same rule ought to apply to all.

Mr. CAMPBELL of Kansas. Will the gentleman from New York indulge me for a question? Is there no way whereby one injured on a public work here may recover except through the generosity of the Committee on Appropriations?

Mr. LITTAUER. It is simply a gratuity of Congress.

Mr. CAMPBELL of Kansas. May he not maintain an action for injury against the contractor or anyone in charge of the construction for negligence?

Mr. LITTAUER. It depends on whether it was done through the negligence of the contractor or by accident of some kind.

Mr. CAMPBELL of Kansas. Well, of course, if the contractor was not negligent he would not be liable, neither would the Government. If the party injured was negligent, he would not be entitled to recover from the contractor or from the Government.

Mr. LITTAUER. I would like, just in this connection, to read what the superintendent of the Capitol said in connection with this accident:

Green, with other workmen, was engaged in handling iron beams. Part of the tackle used in hoisting slipped and a large beam swung around and caught him against the building wall, and Green suffered a compound fracture of the leg.

Similar compensation was paid to workmen in 1902 who had received injuries in connection with the reconstruction of the central portion of this Capitol.

Mr. CAMPBELL of Kansas. That was an accident that was incident to the service?

Mr. LITTAUER. It was incident to this man's service.

The CHAIRMAN. The point of order is sustained.

Mr. GRANGER. Mr. Chairman, I ask unanimous consent to recur to line 18, page 43, for the purpose of offering an amendment.

Mr. LITTAUER. I must object, Mr. Chairman.

The CHAIRMAN. The gentleman from New York objects.

Mr. LITTAUER. I want to get on with the reading of the bill.

Mr. GRANGER. Will you give me a chance to offer it when we get through with the bill?

Mr. LIVINGSTON. Let the amendment be read for information.

The CHAIRMAN. The gentleman asks unanimous consent that the proposed amendment be read for information of the committee.

Mr. LITTAUER. I desire to continue the reading of the bill regularly.

The CHAIRMAN. The gentleman from New York objects.

The Clerk read as follows:

GENERAL LAND OFFICE.

To enable the Commissioner of the General Land Office to reproduce by photolithography or otherwise 4,855 copies, more or less, of the official plats of United States surveys constituting a part of the records of the office of the United States surveyor-general at San Francisco, Cal., which were destroyed by earthquake and fire on April 18, 1906, $14,565, or so much thereof as may be necessary.

Mr. LITTAUER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 44, line 17, after the word "six," insert "to remain available during the fiscal year 1907."

The question was taken; and the amendment was agreed to.

The Clerk read as follows:

The Secretary of the Interior is hereby authorized and directed to pay to Edgar Smith from any tribal funds of the Cherokee Nation in the Treasury of the United States the sum of $5,000, in full for his services as attorney for said nation in the Supreme Court of the United States, in a certain cause entitled "In the matter of the enrollment of persons claiming rights in the Cherokee Nation by intermarriage *v.* United States: Cherokee Nation, intervenor," more particularly described as Nos. 419 to 422, inclusive, on the calendar of said court.

Mr. FITZGERALD. I wish to reserve the point of order upon that item.

The CHAIRMAN. The gentleman from New York reserves the point of order upon the paragraph just read.

Mr. FITZGERALD. I desire to know upon whose recommendation this item was put in the bill?

Mr. LITTAUER. The item was inserted in the bill on the recommendation of the Secretary of the Interior.

Mr. FITZGERALD. Is the amount approved by him?

Mr. LITTAUER. The Secretary says:

The contract was not submitted to the Department until after the services of the attorney had been rendered, some doubt having arisen concerning the legality of the last-named contract, since it was not executed until after the services of said attorney had been rendered; but in view of the fact that the services were fully rendered and performed by the attorney, in accordance with the understanding of the principal chief of said nation and the Department, I have the honor to recommend that the following item be inserted at this point.

Mr. FITZGERALD. I withdraw the point of order.

The Clerk read as follows:

Reform School, Washington, D. C.: The accounting officers of the Treasury are authorized and directed to allow in the accounts of S. W. Curriden, treasurer of the Reform School, District of Columbia, payments heretofore made by him in good faith to instructors in music and military exercises and for officers' uniforms on first appointment, in accordance with the regulations of the board of trustees.

Mr. LITTAUER. I offer the amendment which I send to the Clerk's desk.

The Clerk read as follows:

On page 52, after line 17, insert:

"Judicial: For salaries of four deputy clerks in the Indian Territory for the fiscal year 1907, authorized by the Indian appropriation act approved June 21, 1906, at $1,200, $4,800."

The amendment was agreed to.

Mr. LITTAUER. Mr. Chairman, when I objected to returning to the paragraph under the Navy Department at the request of the gentleman from Rhode Island [Mr. GRANGER] I was not aware that his attention had been diverted at the time that section was passed, and I now ask unanimous consent that we revert to page 43, in order that the gentleman from Rhode Island may offer an amendment.

The CHAIRMAN. The gentleman from New York asks unanimous consent to recur to page 43, for the purpose of submitting an amendment offered by the gentleman from Rhode Island. Is there objection.

There was no objection.

The amendment was read, as follows:

On page 43, after line 18, insert the following paragraph:

"To replace detention buildings at the training station, Newport, R. I., destroyed by fire on January 28, 1906, to be utilized in segregating recruits, including mess hall, mess and galley outfits, laundry, wash rooms, latrines, and other necessaries to make the same habitable and sanitary; in all, $94,321."

Mr. LITTAUER. I reserve the point of order.

Mr. GRANGER. This is to replace very important buildings at the Naval Training Station at Newport which were destroyed there last winter. When the young men come there they are segregated for a period of twenty-one days, in order that if any contagious diseases develop they may be apart from the other men. This building, which was a very important one, was destroyed on the 28th of January, 1906. So that all the young men coming to the station—young men coming from workshops, and not men hardened by service at sea, boys 15 years of age and upward—must be placed in tents, and that is the practice at the present time. Of course during eight months in the year this is no hardship, but during the remaining four months it is not only a hardship, but a source of very great danger. I have here a letter from Admiral Converse, Chief of the Bureau, in which he states that last winter at the Newport Training Station, in addition to the usual diseases to be expected, such as mumps, scarlet fever, and so forth, there developed eighteen cases of cerebro-spinal meningitis, twelve cases of which resulted in death, and he goes on to state that had this building been there at that time the lives of these young men might probably have been saved and the number of other diseases lessened. So the lack of this building has resulted not only in sickness and the loss of life, but in a pecuniary loss to the Government, because these young men had been recruited at considerable expense to the Treasury. It also serves to give the training station a bad name, when they find that young men are subject to such hardships, and makes it more difficult to secure enlistments. This is a building which must be replaced at some time, and it seems to me only just that this House should make this appropriation now in order that these boys may not be placed in jeopardy again next winter. I trust the amendment will prevail.

Mr. LITTAUER. Mr. Chairman, I must renew my point of order. There is no authority of law for this.

Mr. GRANGER. I call the attention of the Chair to the fact that this is a Government reservation, and that this proposition is to replace a building already authorized upon a Government reservation, and therefore it is not subject to a point of order.

Mr. LITTAUER. It is an entirely new building. The old building was destroyed.

The CHAIRMAN. The identical question was decided by the Chairman of the Committee of the Whole House, when the diplomatic and consular appropriation bill was under consideration, on an item for the rebuilding of a public structure in one of the Pacific islands. The Chair then sustained the point of order to the provision. Following that precedent, the Chair sustains the point of order. The Clerk will read.

The Clerk read as follows:

To pay the Adrian Brick and Tile Machine Company, of Adrian, Mich., for street letter boxes manufactured by that company, as subcontractors, and furnished to the Post-Office Department by the contractor, Eugene D. Scheble, of Toledo, Ohio, trading as the Michigan Steel Box Company, under his contract covering the period from July 1, 1901, to June 30, 1905, $18,227.40.

Mr. FITZGERALD. Mr. Chairman, I make a point of order on that paragraph.

Mr. LITTAUER. Mr. Chairman, this item relates to a contract entered into just prior to the time of the development of various conspiracies in the Post-Office Department. Payment was held up by the Postmaster-General until a much fuller investigation could be had into the contract and delivery, and the Postmaster-General now recommends payment for the goods delivered under the contract.

Mr. FITZGERALD. I understand that the assistant attorney-general for the Post-Office Department, in Document 676, recommended that $35,000 be withheld to ascertain whether the Government had any claims against this money until these changes are disposed of.

Mr. LITTAUER. There has been developed no claim against this company, and consequently the Postmaster-General recommends the payment.

Mr. FITZGERALD. But I understand the case against the original contractor has not been disposed of, and that until it is and it is ascertained whether the Government's claim arising out of the fraudulent transaction will amount to this sum Congress ought not to authorize the payment of that money to anybody else.

Mr. LITTAUER. Is the gentleman from New York aware that all the indebtedness of any name and nature to Scheble, who entered into the contract, has been waived?

Mr. FITZGERALD. This is the situation: The Government entered into a contract with the contractor to furnish certain boxes. He made a subcontract, and that contract provided that the subcontractor should not be paid anything until the contractor received his money from the Government. In 1903 the contractor was indicted for fraud, and $31,000 was held up until the Government could ascertain from the trial of these cases whether this claim against the contractor would amount to as much as that.

Mr. LITTAUER. Does the gentleman from New York think the Government had a right to hold up the claim as an offset?

Mr. FITZGERALD. I think it was very good administration.

Mr. LITTAUER. So do I.

Mr. FITZGERALD. If this man was obtaining money that he would not be entitled to, I think it was wise for the Government to stop the payment. The contractor and his affairs are in such shape that neither the Government nor the subcontractor can recover anything from him. Until it is ascertained that the Government will not be defrauded, I am opposed to releasing the money for the subcontractor.

Mr. LITTAUER. The gentleman from New York is aware that the Government owes this sum to the contractor and the contractor owes it to the manufacturer. It is but proper that the Government should pay for the goods received, delivered, and used.

Mr. FITZGERALD. Oh, no.

The CHAIRMAN. Will the gentleman from New York inform the Chair in what manner the contractor released his claim to the sum? Was it by formal release?

Mr. FITZGERALD. This provision authorizes the payment of that which is not now authorized by law, and that makes it legislation. If that was not the fact, there would be no necessity for this provision.

Mr. TOWNSEND. Mr. Chairman, this is a case where the Government entered into a contract with the Michigan Steel Box Company in 1901 for furnishing letter boxes. It had entered into a similar contract four years before with the same party. Now, this Michigan Steel Box Company sublet the contract to the Adrian Brick and Tile Company. It was discovered during the late disturbance of the Post-Office Department that there was some fraud connected with the first contract. That case was gone into thoroughly by the legal department of this Government, and it was recommended to the Postmaster-General that there was no indictable fraud, or not evidence of fraud sufficient to warrant prosecution under it. The total amount of this item is $18,227.40, while the total amount due the original company, or claimed by it, is something over $31,000, and the Government never claimed it could offset more than a small amount, and the difference between the original contract price and the amount of this item would be more than enough for such offset, and this difference is still to be held by the Government.

This case arose as follows: In 1901 the contract for furnishing letter boxes to the Government was let to the said steel box company. This company sublet to the beneficiary of this item at about 60 per cent of the contract price. On account of the trouble with Scheble under the prior contract, the Post-Office Department refused to pay for the boxes which had been accepted by the Government and are now in its use and possession. The last contract is free from fraud, and especially has the Adrian Brick and Tile Company, after a thorough investigation, been exonerated from any fraud.

The Post-Office Department, being thoroughly furnished with all the facts, believes that this item should be paid and has so recommended. It has proposed through its legal department that Scheble should release the Government to the extent of the amount of this item and the brick and tile company were to receipt to Scheble for that amount. This has been done. I submit this waiver and receipt for the information of the chairman.

This is not a claim, but the brick and tile company have an assignment from Scheble and stand in the place of the contractor. This item arises under contract. The Post-Office Department has no money from which this amount can be paid. Congress should allow the item to stand in the bill, for it is just and equitable.

In consideration of the consent signed October 11, 1905, by Eugene D. Scheble, trading as the Michigan Steel Box Company, for the payment to the Adrian Brick and Tile Machine Company, by an appropriation of Congress, of the sum of $18,227.40, the said the Adrian Brick and Tile Machine Company does hereby release and discharge said Eugene D. Scheble from any and all indebtedness and claims of every nature and description.

This agreement and receipt is executed in duplicate for the purpose of filing one of said duplicate originals with the Post-Office Department, the same being at the request of the Assistant Attorney-General for said Department.

Dated and signed January 23, 1906.

THE ADRIAN BRICK AND TILE MACHINE COMPANY,
By E. C. SWORD, *President.*
E. N. SMITH, *Secretary.*

Executed in duplicate in presence of—
F. E. PRIDDY.
P. J. DUNN.

I, Eugene D. Scheble, of Toledo, Ohio, contracted with the Post-Office Department of the United States, under the name of the Michigan Steel

Box Company, to furnish certain street letter boxes for the use of the free-delivery service, from July 1, 1901, to June 30, 1905, inclusive.

I sublet the contract for the manufacturing and furnishing of said boxes to the Adrian Brick and Tile Machine Company, of Adrian, Mich., with the stipulation that the said Adrian Brick and Tile Machine Company should not be paid for the boxes manufactured and furnished until I had received pay for said boxes from the Post-Office Department.

I am still indebted to the Adrian Brick and Tile Machine Company in the sum of $18,258.85 for boxes furnished the Post-Office Department under their contract with me and for which I have not been paid by the Post-Office Department.

In consideration of the release and discharge of my indebtedness to the said Adrian Brick and Tile Machine Company I hereby consent that any appropriation made by Congress for the payment of said sum of $18,258.85 to said Adrian Brick and Tile Machine Company may be deducted from any sum that may be found to be due me under this or any other contract with said Post-Office Department.

Signed and sealed this 11th day of October, A. D. 1905.

EUGENE D. SCHEBLE.

Witnesses:
E. R. SMITH.
A. BENNETT.

He himself, Mr. Robb, who investigated the alleged irregularities in the Post-Office Department, drew both the waiver from the Michigan Steel Box Company to the Government and the receipt from the brick and tile company to the Michigan Steel Box Company; so that this is simply a payment to the Adrian Brick and Tile Company its just dues, and I wish to repeat again that this Government is protected, even if it were to prosecute now under an indictment against Scheble, which the Attorney-General practically admits never will be done. The Government is protected absolutely, and we are simply asking that the Adrian Brick and Tile Company be paid for these boxes, which the Government has had since 1903. The accounts have been gone over by experts of the Department, and the report of the Postmaster-General himself is to the effect that it should be paid.

The CHAIRMAN. The Chair is ready to rule. On the statement of the gentleman from Michigan [Mr. TOWNSEND], the Chair overrules the point of order.

Mr. FITZGERALD. Mr. Chairman, I submit to the Chair that an appropriation to pay for boxes to a person who has a legal contract is one thing, but there is no law which authorizes the payment to a subcontractor except the law contained in this provision. This is a claim. It is not even a claim against the Government. It is a claim against a third party which this provision is authorizing the payment of.

The CHAIRMAN. In the opinion of the Chair the contractor has a valid claim against the Government. The effect of the document read by the gentleman from Michigan is an assignment in equity, if not in law, of that claim to the beneficiary of this provision, and therefore he holds now a valid, legal claim against the Government which may be paid by an appropriation in a general appropriation bill.

Mr. FITZGERALD. But I submit to the Chair that it is not in order in an appropriation bill to appropriate for legal claims against the Government. It is in order only to carry out provisions of existing law, but there is no rule that authorizes the Committee on Appropriations to pay claims that may have some foundation in law.

The CHAIRMAN. Appropriation bills may carry appropriations for the payment of claims against the Government authorized by law, and this is clearly authorized by law. It is under a contract authorized to be made, and the Chair is clear upon the question. The point of order is overruled.

The Clerk read as follows:

For inland mail transportation, star, fiscal year 1904, $399.50.

Mr. TOWNSEND. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

After line 2, page 57, insert the following new paragraph:

"To pay George W. Fleming, of Adrian, Mich., for services as letter-box inspector at Adrian, from March 29, 1902, to July 13, 1903, $1,073.33."

Mr. LITTAUER. Mr. Chairman, I make the point of order against that provision. It is clearly unauthorized by law—services rendered without authority of law—a meritorious claim, but not fit to be submitted in connection with a general deficiency bill.

Mr. TOWNSEND. Will the gentleman reserve his point of order?

Mr. LITTAUER. Certainly.

Mr. TOWNSEND. Mr. Chairman, I just briefly wish to state to the committee the object of this amendment. It is conceded by the Committee on Appropriations, it is recommended by the Postmaster-General that this provision is a proper one, at least an equitable one, and ought to be paid. The objection of the chairman of the committee is that this is a claim, and therefore it is not properly or can not properly be put in this bill.

Mr. LITTAUER. It is one of a series of a thousand like claims.

Mr. TOWNSEND. Now, this claim arose in this manner: The Post-Office Department employed Maj. George W. Fleming, of Adrian, Mich., to inspect letter boxes which were furnished to the Government under contract, as the records of the Post-Office show, to the effect that he was to receive 5 cents per box for inspecting them and for looking after the mailing of them. He performed that work, and it was accepted, and part of his bills, I understand, were audited by the Auditor for the Post-Office Department. The others were not, and they were returned with a statement that there was no money out of which they could be paid. It is due the Chair to state, however, that there was probably no authority on the part of the Postmaster-General to employ this man, as the work theretofore had been done by clerks who had been delegated from the Department to do the work. But the Government has had the service and it admits that it was absolutely necessary that it should be performed. It was done faithfully and by an honest and competent man. Now, we are asked to take this bill to the Committee on Claims, and thus let it sleep forever. It does not seem to me right. The chairman of this committee said, to begin with, that these claims which are justly due should be paid, but now, by rule of this House, justice is to be defeated. I submit that this may possibly be subject to the point of order, but I believe it should be the desire of this Congress to pay such bills as this one, which everybody who has ever had anything to do with it admits to be just. No member of the Committee on Appropriations will deny that it is a just and equitable claim. This man performed these services from 1902 to 1903, and he should be paid. I had hoped that the point of order would not be made against it.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

DEPARTMENT OF COMMERCE AND LABOR.

To pay amounts found due by the accounting officers of the Treasury on account of the appropriation "Salaries and expenses of special agents, Department of Commerce and Labor," for the fiscal year 1905, 54 cents.

Mr. LITTAUER. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 57, after line 21, insert:

"ADDITIONAL AIDS TO NAVIGATION IN THE LIGHT-HOUSE ESTABLISHMENT.

"For a light and fog-signal station at Isle au Haut, Maine, $14,000.

"For a fog signal at Baker Island, Salem Harbor, Massachusetts, $10,000.

"Toward a light vessel to be placed near the entrance to Buzzards Bay, Massachusetts, to replace the one now known as the 'Hen and Chickens light-ship,' $50,000.

"For range lights at Bellevue Range, Delaware River, $40,000.

"Toward a light and fog-signal station at Miah Maul shoal, Delaware River, $40,000.

"Toward a light and fog-signal station on the Joe Flogger shoal, Delaware River, $40,000.

"Toward a light and fog-signal station at Ragged Point, Potomac River, $15,000.

"For a light keeper's dwelling at Sheboygan light station, Sheboygan, Wis., $6,000.

"For a light keeper's dwelling at Menominee Harbor, Michigan, $5,000.

"For a dwelling for the keepers of the light-house on Horseshoe reef, entrance to Buffalo Harbor, New York, $6,200.

"For a light keeper's dwelling at Tibbetts Point light station, New York, $4,000.

"Toward a light vessel to be placed off Martins reef, northwest end of Lake Huron, Michigan, $25,000.

"For range lights, Superior pierhead, Lake Superior, Wisconsin, $20,000.

"For a light station and range lights at Honolulu Harbor, Territory of Hawaii, $40,000.

"Toward a light and fog-signal station near Point Cabrillo, California, $25,000.

"For a light keeper's dwelling at Robinson Point, State of Washington, $5,000.

"For a fog signal at Ediz Hook light station, State of Washington, $10,000.

"Toward a new tender for inspection service in the Thirteenth light-house district, $35,000.

"For post lights on the Monongahela River, $5,000."

And the Secretary of Commerce and Labor is hereby authorized to enter into contracts for the construction of the foregoing additional aids to navigation in the Light-House Establishment, not to exceed the limits of cost respectively fixed in the act entitled "An act to authorize additional aids to navigation in the Light-House Establishment," approved June 20, 1906.

Mr. LITTAUER. Mr. Chairman, these amendments carry appropriations amounting to $395,200. They are in order because of the passage and approval of the omnibus light-house bill, which covers many provisions, a part of which were included in the sundry civil bill, placed in the sundry civil bill on the Senate side. These amendments will take care of the balance of the projects authorized now by law, or rather such

part of the provisions as is deemed necessary for the coming fiscal year.

Mr. RYAN. Will the gentleman yield for a question?

Mr. LITTAUER. Certainly.

Mr. RYAN. Does this amendment contain all of the provisions of the omnibus light-house bill omitted in the sundry civil bill?

Mr. LITTAUER. They complete the bill, and make provision for at least the beginning of construction under the authorizations in the omnibus bill for all projects, except those already carried in the sundry civil bill.

Mr. RYAN. I hope it will be accepted; it is all right.

The question was taken; and the amendments were agreed to.

The Clerk read as follows:

Legislative——

Mr. GROSVENOR. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will read.

The Clerk read as follows:

Page 58, after line 21, insert:
"To enable the Secretary of the Senate and the Clerk of the House of Representatives to pay to the officers and employees of the Senate and House borne on the annual and session rolls on the 1st day of June, 1906, including the Capitol police, the official reporters of the Senate and House, and W. A. Smith, CONGRESSIONAL RECORD clerk, for extra services during the first session of the Fifty-ninth Congress, a sum equal to one month's pay at the compensation then paid them by law, the same to be immediately available."

Mr. GROSVENOR. Mr. Chairman, I want that to come in between the word "legislative" and the words "House of Representatives."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken; and the amendment was agreed to.

The Clerk read as follows:

For furniture and materials for repairs of the same, $1,500.

Mr. LITTAUER. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from New York [Mr. LITTAUER] offers an amendment, which the Clerk will report.

The Clerk read as follows:

On page 60, after line 19, insert:
"For hire of horses, feed, repair of wagons and harness for the Doorkeeper's office, $100."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken; and the amendment was agreed to.

The Clerk read as follows:

To make the salary of the Chaplain of the House of Representatives $1,200 for the fiscal year 1907, $200.

Mr. SOUTHWICK. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

On page 60, after line 22, insert:
"To pay to the persons employed, respectively, as Deputy Sergeant-at-Arms in charge of pairs, clerk in charge of pairs, and the special chief page, designated as a 'Deputy Sergeant-at-Arms,' the difference between the compensation now paid them by law at the rate of $1,400 per annum and the rate of $1,600 per annum until the end of the present fiscal year or until otherwise provided for by law.

Mr. FITZGERALD. Mr. Chairman, I make the point of order against that. I also did it in committee.

The CHAIRMAN. The point of order is sustained.

Mr. LITTAUER. Mr. Chairman, I desire to offer some amendments.

The CHAIRMAN. The gentleman from New York [Mr. LITTAUER] offers amendments, which the Clerk will report.

The Clerk read as follows:

On page 60, after line 22, insert:
"For annual clerks to the Committee on Immigration and Naturalization and Irrigation of Arid Lands, during the fiscal year 1907, at $2,000 each; in all, $4,000."
"For additional compensation of the superintendent of the House document room during the fiscal year 1907, $500."

Mr. FITZGERALD. Mr. Chairman, I make the point of order against those amendments.

Mr. LITTAUER. The amendments just read are to carry out the purposes of the resolution adopted by this House this morning.

Mr. FITZGERALD. The resolutions got in as privileged, but it was merely to pay out of the contingent fund.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. LOUDENSLAGER having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. PARKINSON, its reading clerk, 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. 19844) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1907, and for other purposes, and that the Senate had further insisted upon its amendments 5 and 7, disagreed to by the House of Representatives, had asked for a further conference with the House of Representatives, and had appointed Mr. HALE, Mr. PERKINS, and Mr. BERRY as the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles; in which the concurrence of the House of Representatives was requested:

S. 6463. An act waiving the age limit for admission to the Pay Corps of the United States Navy in the case of Frank Holway Atkinson; and

S. 6522. An act to authorize the Alaska Pacific Railway and Terminal Company to construct a railroad trestle across tide and shore lands in Controller Bay, in the Territory of Alaska.

The message also announced that the Senate had passed without amendment joint resolutions of the following titles:

H. J. Res. 179. Joint resolution providing for the improvement of a certain portion of the Mississippi River; and

H. J. Res. 178. Joint resolution providing for the improvement of the harbor at South Haven, Mich.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to the bill (S. 6355) concerning licensed officers of vessels.

The message also announced that the Senate had insisted upon its amendments to the bill (H. R. 10610) for the relief of James N. Robinson and Sallie B. McComb disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. FULTON, Mr. HEMENWAY, and Mr. MARTIN as the conferees on the part of the Senate.

PROHIBITING THE KILLING OF WILD BIRDS AND WILD ANIMALS, DISTRICT OF COLUMBIA.

Mr. CAMPBELL of Kansas. Mr. Speaker, I desire at this time to submit a conference report on the bill H. R. 13193, and ask to have it printed under the rule.

The SPEAKER pro tempore (Mr. LOUDENSLAGER). Is there objection?

There was no objection.

GENERAL DEFICIENCY BILL.

The committee resumed its session.

Mr. LITTAUER. Mr. Chairman, I do not believe the point of order made by my colleague from New York against the amendment just offered will bear, for the reason that the resolutions as passed this morning read as follows:

That during the remainder of the present Congress or until otherwise provided by law there shall be paid out of the contingent fund——

The CHAIRMAN. Is the appropriation in the proposed amendment limited to the authorization in the resolution? Is it any broader?

Mr. LITTAUER. It is for the fiscal year 1907, during the present Congress.

The CHAIRMAN. And is limited to the object contained in the present resolution?

Mr. LITTAUER. Limits it to the present resolution.

Mr. FITZGERALD. The resolutions upon which the gentleman bases his argument state that certain sums shall be paid out of the contingent fund until otherwise ordered by law. Now, if this provision is the law, and we authorize the payment out of the contingent fund, it is legislation. There is no law which authorizes these appropriations, and the resolution adopted by the House this morning provides that the amount shall be paid out of the contingent fund until otherwise provided by law. In order to justify appropriations on this bill there must be a law which authorizes them.

The CHAIRMAN. In the opinion of the Chair the resolution adopted by the House providing for the payment of its employees is a law within the sense of the rule, and, therefore, the Chair overrules the point of order. The question is on agreeing to the amendment.

The question was taken; and the amendment was agreed to.

The Clerk read as follows:

To pay L. W. Busbey for services as clerk to the Committee on Rules, $1,000.

Mr. BURTON of Ohio. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report:

The Clerk read as follows:

Insert on page 61, after line 14, the following:
"For additional compensation to Harry West, as janitor and messenger to the Committee on Rivers and Harbors, $280."

Mr. LITTAUER. Mr. Chairman, I reserve the point of order on this item simply to make a statement to the effect that while I feel, being in charge of the bill, under obligations to make a point of order against any proposition not authorized by law, yet when it comes to the consideration of the salary of an attaché of the House, and especially a meritorious one like the one in question, I do not want to insist upon the point of order, but simply to call it to the attention of the House.

Mr. BURTON of Ohio. I will say, Mr. Chairman, this is offered in accordance with the unanimous request of the members of the Committee on Rivers and Harbors as a reward for very faithful service. I think that if there is any employee around this building, whether janitor, messenger, or clerk, who earns a salary of a thousand dollars, this man does. He stays here until half past 6 in the evening, and performs service not only as a janitor, but as a clerk, and in other lines; and if it were not for his efficient services another clerk would be required during the session.

Mr. LITTAUER. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken; and the amendment was agreed to.

The Clerk read as follows:

To pay the judgment rendered by the Court of Claims on May 18, 1905, in consolidated causes No. 23199, The Cherokee Nation *v.* The United States; No. 23214, The Eastern Cherokees *v.* The United States, and No. 23212, the Eastern and Emigrant Cherokees *v.* The United States, aggregating a principal sum of $1,134,248.23, as therein set forth, with interest upon the several items of judgment at 5 per cent from the several dates named therein to date of payment as provided in the decree, $1,134,248.23, together with such additional sum as may be necessary to pay interest, as required by said judgment.

Mr. LITTAUER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Page 66, in line 7, strike out the words "as required by said judgment," and insert in lieu thereof the words "as authorized by law."

The question was taken; and the amendment was agreed to.

Mr. MILLER. Mr. Chairman, I desire to ask the gentleman in charge of the bill a question in relation to this item. On page 66 it says that interest shall be paid on these judgments at the rate of 5 per cent from the several dates named therein to date of payment. Now, what I want to know is what those dates are.

Mr. LITTAUER. The date is from the 12th day of June, 1838, and the total amount of interest will be somewhere, as I said, between $3,750,000 and $4,000,000,

Mr. MILLER. Then I understand the gentleman that the judgment and interest in this case is over $5,000,000?

Mr. LITTAUER. About $5,000,000 is substantially correct.

Mr. MILLER. I want to ask the chairman of the committee what amount has been allowed in this case for attorney fees?

Mr. LITTAUER. The Court of Claims has allowed 15 per cent, and has permitted the various attorneys to enter into a stipulation among themselves, confirmed by the court, as to the percentages to be paid to the various representatives.

Mr. MILLER. Is it not true that there have been allowed in the neighborhood of a million dollars attorney fees?

Mr. LITTAUER. I should say $750,000 was nearer correct.

Mr. MILLER. Well, now, Mr. Chairman, I desire to offer an amendment to this section. At the close of the section add this proviso.

The Clerk read as follows:

Page 66, at the end of line 7, insert the following: "That there shall be no fees paid to attorneys out of this appropriation until the Court of Claims shall have readjusted and determined the amount due each attorney who rendered services under contracts with the Eastern Cherokees or their representatives, and that said court shall have full power to determine the respective interest of each claimant, and the said appropriation shall bear no interest after the passage of this act."

Mr. LITTAUER. Mr. Chairman, I believe that provision would be subject to the point of order that it is new legislation not authorized by law. Our purpose here is simply to report to Congress the decree transmitted to us by the Court of Claims affirmed by the Supreme Court.

Mr. MILLER. Mr. Chairman, I hope the chairman of the committee will withhold his point of order.

Mr. LITTAUER. I will withhold it, in order that the gentleman may make a statement.

Mr. MILLER. I desire to say in reference to this particular item in this bill that in my judgment the legislation that has been heretofore enacted has been for the sole and express purpose of trying to secure very large fees in this particular case. I call the attention of the Chair to the law enacted in 1902, on July 1, providing that this case should be sent, or this class of cases should be sent, to the Court of Claims for judgment, and the language in the bill itself has been so carefully drawn that there can be no question but what it was drawn for the sole and express purpose of bringing together an agreement as to attorneys' fees. I read the language of that particular part of this bill:

The institution, prosecution, or defense, as the case may be, on the part of a tribe or any band of any suit shall be through attorneys employed in the manner prescribed under sections 2123 to 2126, both inclusive, of the Revised Statutes of the United States, the tribe acting through its principal chief, in the employment of such attorneys and the band acting through its head, each recognized by the Secretary of the Interior.

Now, I want to say that, so far as this particular law is concerned, these attorneys not one of them here that claim the adjudication of the court of $750,000 to be paid to them have ever rendered a single cent's worth of service in this particular matter. Never had anything to do with sending the case to the Court of Claims. It was sent to the Court of Claims on a report to Congress from the Secretary of the Interior, and not through any action whatever on the part of these men who are to receive large fees if this bill becomes law, and I can not see how it is possible for us to evade the passage of this bill, because it means that long ago, in 1850, the Senate of the United States provided by resolution that claims of this character should have 5 per cent interest paid on them, and under that law of 1850 the Supreme Court passed upon this case, and decided that they were entitled to 5 per cent interest.

And in place of receiving one million one hundred and thirty-four thousand and some odd dollars, they are now to receive about $5,000,000—$1,134,000 principal and $3,500,000 interest—and here are the attorneys, from every section of the Union, having an agreement with these Cherokee Indians, either the tribes or the bands, who have been doing various kinds of work, lobbying about this House and the other end of this building for the purpose of securing this 15 per cent of fees in this case, and they are getting a judgment here of $750,000; but the two men who will be benefited by this amendment have rendered more service in this case than all of the other attorneys combined. Yet they were unfortunate enough not to be in the Court of Claims under this particular bill at the time these cases were adjudged there, and hence their claims have not been allowed.

Upon the point of order, I wish to say that, in my judgment, this is not new legislation. I drew the amendment carefully, for the purpose of avoiding that very question, and it is for the purpose of having the Court of Claims simply readjust the attorney fees in this case, in order that all persons who had contracts under this law of 1902, under which this bill is being allowed, may have their claims readjusted, and that all persons may be permitted to receive the fees that they were entitled to under that law, and not under any new law that we are attempting to pass at this time. I say this is simply an act of justice to two men who have had more to do, so far as the legitimate work of this legislation is concerned, than any other two men connected with this case.

Mr. LITTAUER. Did I understand the gentleman to say "legitimate work?"

Mr. MILLER. The legitimate work of this case. I call attention to the fact that one of these men is Mr. Lynn, of Kansas, and I have offered this amendment because he is a citizen of my State. The other is a gentleman from the Indian Territory, Mr. Powell, and gentlemen who are acquainted with them know that they are men of sterling character and that they would not be here with a claim that was not just.

Mr. MADDEN. Does the gentleman contend that a judgment of the United States Supreme Court can be set aside by an amendment such as the gentleman offers?

Mr. MILLER. No; we are not asking that the judgment of the Supreme Court be set aside, but we are simply asking that it may be stayed until this question is determined by the Court of Claims.

Mr. MADDEN. Does the gentleman recognize the fact that the staying of the judgment of the court will compel the payment of interest on $5,000,000? And does the gentlemn believe that if his amendment passes he will have served the best interests of this Government when he compels it to pay interest on $5,000,000 in order that one or two friends in whom he may be interested may have their cases adjudicated?

Mr. MILLER. Mr. Chairman, in answer to the gentleman from Illinois, I desire to say that I sought first to protect the Government of the United States, and hence as part of this amendment it is provided that the interest on this amount shall not be paid after the date of the passage of this act.

Mr. MADDEN. Does the gentleman believe that this House

has the power to set aside a judgment of the United States Supreme Court?

Mr. MILLER. No.

Mr. MADDEN. Does the gentleman agree that the United States Supreme Court has said in its judgment that interest shall be paid upon this amount until the judgment is paid?

Mr. TAWNEY. At the rate of 5 per cent.

Mr. MADDEN. At the rate of 5 per cent. Does the gentleman agree to that?

Mr. MILLER. In my judgment this body has the power to legislate upon this class of claims exactly as it pleases, and, notwithstanding the judgment of the Supreme Court at this time, Congress, if it desired, could say that we would pay the principal and not any of the interest. There is no power on earth by which these people could compel the collection of any other amount.

Mr. MADDEN. Does the gentleman contend that this House has the power to review a decision of the Supreme Court of the United States?

Mr. MILLER. No; not to review a decision of the Supreme Court of the United States. And now, Mr. Chairman, we are getting away from the point at issue.

Mr. MADDEN. Does the gentleman maintain that we have the power to set aside a decision of the Supreme Court of the United States?

Mr. MILLER. I am not asking this body to set aside a judgment of the Supreme Court of the United States, but I am simply asking this House to stay the judgment of the Supreme Court of the United States until all of the claims that are legitimate may be fairly adjusted before this appropriation is paid.

Mr. MADDEN. What the gentleman is asking is that the Government be compelled to pay $200,000 per annum interest on this $5,000,000 judgment until the case of his friend may be adjudicated in accordance with his wishes.

Mr. MILLER. Mr. Chairman, I will state that, in my judgment, notwithstanding the decision of the Supreme Court of the United States, these people are not entitled to 5 per cent interest on that money. If I had my way about it, not a single dollar of that interest would be paid by this House, and if I had the power to pass upon this question and settle it for myself, I would say to these attorneys who have never performed any services in the case, "You can not collect $750,000 for services to the Cherokee Indians which you never rendered." Two of the attorneys were former members of the body at the other end of the Capitol.

The CHAIRMAN. The Chair is ready to rule.

Mr. GILBERT of Kentucky. I want to suggest that this House can make an appropriation and pay the judgment upon any terms it sees proper to prescribe.

Mr. MILLER. There is no question but that the gentleman is correct.

The CHAIRMAN. The amendment in the opinion of the Chair, is subject to a point of order. It contains a legislative provision providing that the judgment shall not bear interest from such a time. The Chair sustains the point of order.

Mr. LITTAUER. Now, Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

On page 66, lines 2, 3, and 4, strike out the words "from the several dates named therein to dates of payment as provided in the decree."

Mr. LITTAUER. That simply perfects the paragraph in view of the amendment previously adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was considered and agreed to.

Mr. MILLER. Now, Mr. Chairman, I desire to offer the same amendment I offered heretofore, except the last part of it.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

After line 7, page 66, insert a new paragraph, to read:
"There shall be no fees paid to attorneys out of this appropriation until the Court of Claims shall have readjusted and determined the amount due each attorney who rendered services on contract to the eastern Cherokees or their representatives, and said court shall have full power to determine the respective interests of each claimant."

Mr. LITTAUER. I make a point of order against that, Mr. Chairman.

Mr. LIVINGSTON. I want to state to the gentleman that I do not think his amendment quite reaches the situation. These gentlemen that did the work that he mentioned were not attorneys. They were simply attorneys in fact. Unless he changes that amendment he will not accomplish what he wishes to. They were private citizens, and not attorneys, and for that reason the attorneys got together and fixed up things and left them out in the cold.

The CHAIRMAN. The Chair is of opinion that this amendment is subject to a point of order under the decree of the Supreme Court of the United States. The court has determined the attorneys' fees and certified it to the House, and the effect of this amendment would be to refer the whole case back to the Court of Claims for consideration, which is clearly legislation, and the point of order is sustained.

Mr. JAMES. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 66, lines 1, 2, and 3, strike out the words "with interest upon the several items of judgment at 5 per cent from the several dates named therein to the date of payment, as provided in the decree."

Mr. LITTAUER. Those words have been stricken out of the last amendment adopted.

Mr. JAMES. Not the clause fixing the interest at 5 per cent.

Mr. LITTAUER. We did not strike out the provision fixing the interest at 5 per cent, for the interest on these claims was fixed by the court.

Mr. TAWNEY. Mr. Chairman, I reserve a point of order on the amendment of the gentleman from Kentucky.

The CHAIRMAN. The Chair is inclined to think that the gentleman is too late to reserve the point of order.

Mr. TAWNEY. I understood the gentleman from New York to say that the language the gentleman sought to strike out had already been stricken out by the last amendment adopted by the Committee of the Whole. I did not know that that was not the fact, and so I did not reserve the point of order. If it is not the fact, I want to reserve a point of order on the amendment offered by the gentleman from Kentucky.

The CHAIRMAN. The Chair is informed that a portion of the language embraced in the language of the amendment offered by the gentleman from Kentucky had already been stricken out.

Mr. JAMES. My amendment was to strike out the language so as to not include the interest. Certainly a point of order would not lie against that. It would be in order to strike out "one million" and insert "two millions."

Mr. TAWNEY. Mr. Chairman, I will withdraw the point of order.

Mr. LITTAUER. Mr. Chairman, the original treaty stipulation in connection with which this claim arises called for interest to be paid at 5 per cent per annum. Moreover, in the year 1846, under the eleventh article of the treaty, the Cherokees agreed to submit to the Senate of the United States as umpire the question whether interest should be allowed on the sums found due them. The Senate of the United States as umpire on September 5, 1850, found interest should be allowed in the following resolution:

Resolved, That it is the sense of the Senate that interest at the rate of 5 per cent per annum should be allowed on the sums found due to the Eastern and Western Cherokees, respectively, from the 12th day of June, 1838, until paid.

Mr. JAMES. Mr. Chairman, if these people can afford to pay lawyers $750,000 or a million dollars to prosecute this claim, does not the gentleman from New York think that they could let the matter go without charging the Government any interest?

Mr. LITTAUER. Oh, I suppose they could do anything in that line, but I take it for granted that they would like to get everything that is coming to them. This matter of the adjudication of the attorneys' fees was a matter settled by the courts and is out of our hands.

Mr. JAMES. Does that contract provide for 5 per cent?

Mr. LITTAUER. The contract did and the allowance was made by the court.

Mr. LIVINGSTON. I want to suggest to the gentleman from New York [Mr. LITTAUER] that it is not a settled question, the amount of interest, from the time the matter was filed in the Treasury Department. There is one decision that interest can not go behind, and that was some time in 1905. We have that statement from the Auditor's office in the Treasury Department in the Appropriation Committee room, that it is uncertain when this interest began and how much of it there is due to these Indians. If the latter proposition is true, that interest does not begin to run on this claim until a certain date in 1905. There is a very small amount of interest, comparatively, due to these people.

Mr. LITTAUER. The gentleman will recognize that the provision carried in the bill as amended simply calls for the payment of this judgment in accordance with law and as authorized by law, and the authorization of the law was based on the decree of the Court of Claims, affirmed by the United States Supreme Court.

Mr. LIVINGSTON. Does the gentleman understand, then,

that the judgment of the United States Supreme Court would give them three and a half millions of interest?

Mr. LITTAUER. I believe that to be the fact.

Mr. SULLIVAN of Massachusetts. Mr. Chairman, I understand the position of the gentleman from New York [Mr. LITTAUER] is this, that the Supreme Court having acted in this case, it is the duty of Congress now to respect its decree.

Mr. LITTAUER. Unquestionably so.

Mr. SULLIVAN of Massachusetts. I would like to suggest to the gentleman from Kansas [Mr. MILLER], who a moment ago submitted the proposition that the Court of Claims be given power to review the decision of the Supreme Court fixing the attorneys' fees, that under the rule adopted this morning that is a very proper matter of consideration, and I would suggest to the gentleman from Kansas that he now improve the proposition, which would do honor to him and to his State, and ask the Committee on Rules to bring in a rule permitting the Court of Claims, an inferior court, to review the decision of the Supreme Court on the question of these attorneys' fees. [Laughter.]

Mr. SULZER. Mr. Chairman, I would like to ask the gentleman from New York a question.

The CHAIRMAN. Does the gentleman yield?

Mr. LITTAUER. Yes.

Mr. SULZER. How much is the entire amount at the present time, interest and judgment?

Mr. LITTAUER. The decree of the court is that the sum of $1,111,284.70, with interest thereon from June 12, 1838, to date of payment, less such counsel fees, etc., shall be paid to the Secretary of the Interior, to be by him received and held for the uses and purposes detailed.

Mr. SULZER. That is all very clear to the gentleman, but it is not clear to me. I want to know exactly what the entire amount is, if the gentleman knows.

Mr. LITTAUER. The entire amount, as near as I can make it out, is somewhere between $3,700,000 and $4,000,000, probably nearer the former sum.

Mr. SULZER. How much of that will go to these lawyers, and how much will go to the Indians?

Mr. LITTAUER. The Court of Claims has decreed that the attorneys are entitled to 15 per cent, and has subdivided that 15 per cent, the law fixing this percentage. The judgment declared that the attorneys were entitled to 15 per cent, and the Court of Claims passed upon the subdivision among the attorneys.

Mr. SULZER. I think the gentleman is wrong about that.

Mr. JAMES. I would like to ask the gentleman from New York if he can supply the House with a list of the attorneys and the respective amounts that are to be allowed under this decision of the Court of Claims?

Mr. TAWNEY. We have it in the committee room.

Mr. LITTAUER. We have such a list before us.

Mr. TAWNEY. We have the decree of the Court of Claims.

Mr. JAMES. I understand that; but I want to know what it is.

Mr. LITTAUER. I have in my hand here a statement of the awards to attorneys, as follows: To Vaile ———, 3 per cent less $3,600; to Belt, 1⅞ per cent less $2,000; to Scarrett & Cox, 2 per cent less $2,400; to James K. Jones, 1 per cent less $1,200; to M. C. Butler, 1½ per cent less $1,800; to William H. Robeson, 1½ per cent less $1,800; to R. L. Owen, 4½ per cent less $5,200; to Mrs. Belva Lockwood, $18,000.

Mr. JAMES. How is it they gave Mrs. Lockwood a stated amount of $18,000? Why did not they give the amounts in the other cases in a computed sum, so we could arrive at them as readily in the other cases as in hers?

Mr. TAWNEY. The amount awarded to Mrs. Belva Lockwood was the amount agreed upon by all the other attorneys.

Mr. LITTAUER. And deducted from their percentages.

Mr. MILLER. If the chairman of the committee will allow me, the Court of Claims in passing upon this claim awarded to Mrs. Belva Lockwood $3,000 a year for a period of six years.

The CHAIRMAN. Debate on this amendment is exhausted.

Mr. TAWNEY. Mr. Chairman, I move to strike out the last word. I desire to ask, for information, what amendment the gentleman from Kentucky has offered?

The CHAIRMAN. Without objection, the Clerk will again report the amendment proposed by the gentleman from Kentucky.

The amendment was again reported.

Mr. TAWNEY. Mr. Chairman, it matters not what this House may do with respect to the payment of interest upon this judgment. The court has decreed that under the contract between the Eastern Cherokee Indians and the Government of the United States they are entitled to interest on this $1,111,000 until that amount is paid, the only question being as to when the amount will be paid; and the interest will thereby cease. Whether, when the judgment is paid over to the Secretary of the Interior, or whether when the amount is paid to the beneficiaries after the rolls have been made up. A few days ago I wired the Secretary of the Treasury and requested that he submit to the Committee on Appropriations a statement of the amount of interest due on this claim. Their actuaries commenced work on Friday, and on Monday they reported to the committee by letter that if they computed the interest one way the aggregate amount would be so much, and if they compute it another way the aggregate amount would be so much, and if you compute it on a basis that after the judgment has been obtained it can draw only 4 per cent interest, then the aggregate amount of interest will be so much. The committee therefore came to the conclusion that it was best, in preparing this provision, to follow the judgment of the Supreme Court, and appropriate for the principal, allowing the Department to determine what amount of interest should be paid.

Mr. SHERLEY. Does not the gentleman think, in following the Supreme Court in this case and declining to follow it in the Philippine case, you are showing undue preference to the Indian against the Filipino?

Mr. TAWNEY. The gentleman from Kentucky may draw his own conclusions, from the fact that we are following in this case the long-established practice of appropriating for the payment of the judgment of the Supreme Court of the United States, or the amount the court has adjudged to be due to these Indians. It has no relation whatever to the ten or fifteen million dollars of claims that have not yet been sued against the Government of the United States. This is a judgment in this particular case, and like the judgment in the case in respect to the Philippine tariff duties to which the gentleman refers, collected in the Philippine Islands, this judgment will be paid as that judgment to which he refers should and undoubtedly will be paid.

Mr. SHERLEY. Mr. Chairman, if the gentleman will permit a suggestion, the claims are filed now, and you are simply trying to legislate them out of court.

Mr. TAWNEY. I beg to differ with the gentleman as to the filing of claims, but that is neither here nor there.

Mr. MAHON. Mr. Chairman, I make the point of order that debate on this has been exhausted.

The CHAIRMAN. The gentleman from Pennsylvania makes the point that debate is exhausted.

Mr. TAWNEY. I beg the gentleman's pardon, I have not consumed my time on the amendment which I offered. Mr. Chairman, I will say in conclusion that the court has decided that the Cherokee Indians are entitled to 5 per cent interest on the amount, namely, $1,111,000.

Until that amount is paid; that this is due them under the contract, which contract has been thus construed by the highest judicial tribunal in the land. We can not change it or modify it. We do not know exactly what the amount of interest will be. We appropriate for the payment of the principal and also appropriate for the payment of the interest, leaving to the Department to determine the legal question of the amount of interest due. I trust that the gentleman from Kentucky [Mr. JAMES] will not insist upon his motion.

Mr. FITZGERALD. Mr. Chairman, I move to strike out the last two words. I wish to speak in opposition to the amendment of the gentleman from Kentucky [Mr. JAMES] to strike out the words "with interest." For a great many years the Cherokees have been endeavoring to obtain a settlement with the United States of their claim growing out of the removal of the Cherokees to the western country under the treaty of 1838. As early as 1852 the question as to whether the Cherokees who had been removed were entitled to interest upon the amount expended in their removal from the Eastern States to the West—the present Indian Territory—was submitted to the Senate as arbitrator. The Senate decided in favor of the Indians, and for fifty years representatives of these Indians have been endeavoring to get this matter ratified by Congress, and finally, after all these years, during my term in the House the entire matter was left to the Court of Claims, and the right given to take the case to the Supreme Court. The Supreme Court has decided that the Indians are entitled to interest upon this money from a certain date until it is paid. And the one way for Congress to get rid of it and to settle this claim, which is a just one, and which should be paid, is to pay it now. If it be not paid now, the interest will continue to run. And I hope, in the interest of justice and fair play, the decree of the court will be carried out.

Mr. JAMES. You are making a plea for the Indians and

talking about what is just to them, but do you think it is just to the Government or to the Indians either to pay these lawyers $750,000?

Mr. FITZGERALD. I do not know just how much the lawyers are to get, but it was necessary for these Indians to employ somebody.

Mr. JAMES. Do you not know that the amount is in the neighborhood of $750,000?

Mr. FITZGERALD. I think it is about $600,000. I served six years upon the Committee on Indian Affairs, and this thing was continuously there. Of my own knowledge it has been pending in the courts six or seven years, and beyond that. The matter was presented as early as 1852. Now, somebody is entitled to be paid for services.

Mr. TAWNEY. If the gentleman from New York [Mr. FITZGERALD] will permit me, I would say that during the Fifty-third Congress this claim was certified by the Secretary of the Interior pursuant to an act passed by Congress authorizing an investigation and recommending payment, but it was not convenient for Congress at that time, because of deficient revenues, to pay it. So, in order to defer and delay its payment, it was referred to the Court of Claims. Had Congress paid it in 1894 or 1893 it would have saved this interest at 5 per cent, which is now a very large sum.

Mr. FITZGERALD. The mere fact that attorneys are to receive compensation as a result of the fruits of these victories is not sufficient, in my judgment, to refuse to pay what the courts have found should be paid.

Mr. JAMES. Does the gentleman say that the courts allow these fees?

Mr. FITZGERALD. I understand that the Court of Claims allowed these fees under a contract. I may be mistaken, but if I recall correctly, under contracts approved by the Secretary of the Interior.

Mr. JAMES. What Secretary of the Interior approved the contracts?

Mr. FITZGERALD. I do not know; but he has the power under a statute to approve contracts between attorneys and Indians, in order that the latter may have their rights presented to the court, and these contracts were approved. The attorneys were later sent to the Court of Claims. That court found how much of the money the different attorneys are entitled to, and I believe it is time we accepted the determination of the court and paid what has been found to be due.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KEIFER. Mr. Chairman, I move to strike out the last two words. I do not wish to prolong this debate, but I wish to call the attention of the gentleman from Kentucky [Mr. JAMES] to the fact that if his motion to strike out a portion of this paragraph were to prevail it would not change the effect of the proposed legislation in any sense whatever, inasmuch as later along in the same sentence it is found that it is proposed to appropriate $1,134,248.23, "together with such additional sums as may be necessary to pay interest as required by said judgment."

Now, to strike out the 5 per cent that is provided for earlier in the paragraph would not affect the question a particle under the law. It is simply proposed in this legislation to pay the judgment, whatever it may be, of principal and interest.

Mr. JAMES. If the gentleman will yield, I would suggest in reply to his contention that can all be remedied when we come to it by striking out the additional words.

Mr. KEIFER. The gentleman suggests that it may be further amended. That is equivalent to saying that the judgment that we are attempting to pay is not to be paid, and is no binding judgment. This Indian case went to the Court of Claims, and then to the Supreme Court, and the Supreme Court laid down the rule by which this judgment was rendered in the Court of Claims, precisely in accordance with a decree of that court, and we can not now change it by any legislation; it has passed beyond our interference; and there is no use of trying to lug in here any parallel between this question and the Philippine paragraph contained in this bill.

Mr. JAMES. Do you contend that we can dispose of an amendment before we reach it?

Mr. KEIFER. I am not contending anything, but you are simply proposing to do an entirely useless and needless thing and to tie up the whole matter when we undertake to dispose of that whole question. We might as well strike all out about the judgment as to undertake to strike out the essential part of it. Now, Mr. Chairman, I think it is very plain, simply to deal with this as we provide in the language used here, that this shall be paid, and under the practice, if not by express provision of law, it is to be paid over to the Secretary of the Interior, and we are to pay interest on the judgment up to the date of such payment. Now, as I understand it, the date of such payment would be the time the money is paid over to the Secretary of the Interior, when he would become the disbursing officer for all these Indians, and from the date of that payment, whenever it is ready for disbursement, the Government will be relieved from any further interest.

Mr. LIVINGSTON. Mr. Chairman, I move that all debate upon this paragraph and amendments be closed in five minutes.

The question was taken; and the Chairman announced that the ayes seemed to have it.

Mr. MILLER. Division!

The committee divided; and there were—ayes 58, noes 27.

So the motion was agreed to.

Mr. REEDER. I move to strike out the last word.

Mr. Chairman, ever since I have known anything of these claims it appears that there are some circumstances connected with them which induces us to be extraordinarily willing to appropriate money to settle them.

Mr. WALDO. A parliamentary inquiry. Was the motion to close debate on this section?

The CHAIRMAN. To close debate on the paragraph, but amendments can be submitted.

Mr. REEDER. Mr. Chairman, I desire to use my time without interruption. It does seem that, for some reason or other, there have been exceptional advantages given to the Indians in this case. I know that we have a great many claims of our own constituents, and we do not expect to get anything but the principal for them. I believe we should adopt this amendment, because all the argument I have heard in support of paying this bill is that it is drawing 5 per cent interest. If we pay the principal, then interest will cease. I believe we ought to adopt this amendment, because we are treating these claimants with more respect, in my judgment, than we do our own constituents who have equally just claims.

Mr. TAWNEY. How can you pay the principal or the interest until the Interior Department has made up the rolls of those who are entitled to the benefit of the judgment?

Mr. REEDER. We can pass this amendment, and that will certainly put an end for the present to paying the interest; then as soon as the roll can be made up the principal can be paid. When the principal is paid interest surely will cease.

Mr. TAWNEY. What are you going to do with the decree of the Supreme Court?

Mr. REEDER. We have a great many claims for small amounts coming to us for various claims from our constituents, and they only ask the principal, and we can not secure that even. I sympathize with the claims of the Indians, but the claims of our constituents should have equal consideration.

Mr. LITTAUER. How is that on all fours with this?

Mr. REEDER. I am simply trying to stop the payment of near four million interest to these people who were interested to the amount of $750,000 or $780,000, which they expect to receive in attorneys' fees, which will amount to only about $200,000 if we cut out the interest, as we do in all other claims. I certainly think that this consideration should have weight with us in determining this question.

Mr. CAMPBELL of Kansas. Mr. Chairman, I offer the amendment which I send to the Clerk's desk, to be inserted at line 7, on page 66.

The Clerk read as follows:

Provided, That out of the moneys by this act appropriated for the payment of the decree of the Court of Claims in favor of the Eastern Cherokees the Secretary of the Interior shall cause to be paid 2½ per cent thereof to H. C. Linn and Samuel Powell in satisfaction of their claim for services rendered and expenses incurred by them on behalf of the said Eastern Cherokees, and deduct same pro rata from attorneys' fees allowed by the court.

Mr. LITTAUER. I make the point of order against this provision. It is not authorized by law, and changes existing law.

The CHAIRMAN. The amendment is not in order now in any event, because there is one pending. When the amendment offered by the gentleman from Kentucky shall have been disposed of, then it may be offered. The question is on the amendment of the gentleman from Kentucky [Mr. JAMES].

The question was taken; and the amendment was rejected.

The CHAIRMAN. The gentleman from Kansas offers the amendment which has just been read.

Mr. LITTAUER. I make the point of order against it.

Mr. CAMPBELL of Kansas. I hope the gentleman from New York will reserve the point of order.

Mr. LITTAUER. I must insist on the point of order.

Mr. CAMPBELL of Kansas. It is only a limitation on the fees already allowed.

Mr. LITTAUER. The question has already been argued here. This is contrary to the provisions of a decree of the Supreme Court, which has specifically passed on this question.

The CHAIRMAN. The Chair is clear that the amendment is out of order. Debate on the merits has been closed by action of the committee. The Chair sustains the point of order.

Mr. WALDO. I move to strike out the entire paragraph.

The CHAIRMAN. Debate is exhausted. All in favor of the motion will say "aye," those opposed "no."

The question being taken, on a division (demanded by Mr. WALDO) there were—ayes 17, noes 74.

Accordingly, the amendment was rejected.

The Clerk read as follows:

CLAIMS ALLOWED BY THE AUDITOR FOR THE WAR DEPARTMENT.

For salaries, office of Commissary-General, $20.93.
For pay, and so forth, of the Army, $6,214.66.
For subsistence of the Army, $20.

Mr. KELIHER. Mr. Chairman, I desire to offer an amendment.

The amendment was read, as follows:

Add as a new paragraph, on page 69, after line 9, the following:
"For payment of damages, approved by War Department, to property in Winthrop, Mass., by reason of the firing of high power guns at forts Heath and Banks, Boston Harbor, in 1904 and 1905, $1,500."

Mr. LITTAUER. Mr. Chairman, I reserve the point of order in order that the gentleman may make an explanation of the amendment.

Mr. KELIHER. Mr. Chairman, this amendment covers items that have been passed favorably upon by the War Department, forwarded to the Secretary of the Treasury and by that official submitted to us that money be appropriated to cover the payment. Since their arrival in this body they have been passed like hot bricks from one committee to another, each most politely declining jurisdiction, a la Alphone and Gaston. Now, the Government stands pledged to the payment of these trivial claims, which are just and admitted to be so by those officials authorized and competent to judge.

In the beautiful seashore territory adjacent to the great city of Boston, in localities which the Almighty God seemed especially to have ordained should be reserved for residential purposes, where the people from the crowded and congested city might breathe, unpolluted, His invigorating air, the Government has deemed it necessary to erect its grim gray structures of defense. The most desirable spots in the most inviting sections of the town of Winthrop, strangely enough, pleased the strategical eyes of the Army engineers, and have been seized. Property valuations have lowered as a consequence and the town has suffered great losses in tax revenue as a result of forts and barracks taking the place of expensive residences and hotels.

In the target practice in which the heavy guns are fired, the territory for quite a distance around practically experiences the sensation of a modest earthquake when the skill of the gunner is tested. Windows are broken, ceilings cracked, crockery, glassware, vases, and other household fixtures and ornaments are ruined, chimneys demolished, and general damage done. The War Department receives an inventory of the damages complained of by the property owners, and a board of officers are designated to investigate the claims. This board returns its findings to the Secretary of War, who transmits a report of the amount covering same to the Secretary of the Treasury, who, in turn, submits it in his estimate to Congress. In the meantime those who have suffered the inconvenience and loss patiently await the payment of their claims. It would be much more honorable if the War Department bluntly told these claimants that they need hope for no settlement than to go through the hollow formality of fixing the amount of damages the United States has evidently no intention of paying. In everyday business life the individual who does not pay his just debts is dubbed a "dead beat," and his neighbors avoid him in all transactions, yet the United States Government, the richest at God's footstool, brazenly repudiates obligations it is bound in honor to meet, and yet expects those citizens who are the victims of its carelessness or cupidity to cheer for the national honor, which to them is a misnomer, and fight, if necessary, for a national integrity they do not recognize.

These debts are due; they are O. K.'ed by those vested with authority and qualified to pass judgment, and yet they remain unpaid. The War Department would speedily and gladly pay them if it had the money to do so, and now, while appropriating moneys to cover general deficiencies in the Government, what item in this bill is more deserving of recognition? Wonder is expressed at the growing hostility to the Army and Navy that becomes more manifest each day, and the query, "Why is it so?" is quite commonly heard. The reason can be found in part in the arrogant manner in which the officers of these branches of the service encroach upon the preserves of the civilian, giving little or no heed to the violence they do equity and fair play. I trust that this small item will not be bludgeoned to death by that awful instrument of destruction, the deadly "point of order," which violently terminates the existence of so many worthy, as well as unworthy, measures in this body. [Applause.]

Mr. LITTAUER. Mr. Chairman, I insist on the point of order.

The CHAIRMAN. The point of order is sustained, and the Clerk will read.

The Clerk read as follows:

For protecting public lands, timber, and so forth, $170.

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. PARKINSON, its reading clerk, announced that the Senate had passed with amendments bills of the following titles; in which the concurrence of the House of Representatives was requested:

H. R. 17345. An act creating a United States district court for China and prescribing the jurisdiction; and

H. R. 15442. An act to establish a Bureau of Immigration and Naturalization of aliens throughout the United States.

GENERAL DEFICIENCY APPROPRIATION BILL.

The committee resumed its session.

The Clerk read as follows:

SEC. 3. The owner or owners, citizens or aliens, of any ship or vessel, foreign or domestic, and the owners of the cargoes laden thereon, and the owners of any property on board thereof, may, and they are hereby authorized and empowered to, sue the United States in any United States district court in which the parties so suing, or any of them, may reside, or in which the cause of action may arise, sitting as a court of admiralty and acting under the rules governing such courts, for any damage, loss, or injury to such ship or vessel, or her owner or owners, or to the owners of any cargo laden thereon, or of any property on board thereof, arising from or attributable to the mismanagement of any vessel owned by the United States, or to the negligence or want of skill of those in charge thereof, by collision; and the said district court is hereby authorized to enter a judgment or decree for the amount of such injury, loss, or damage, if any shall be found due, against the United States, in favor of such owners, upon the same principles and measure of liability, with costs, as in like cases in the admiralty between private parties, and with the same rights of appeal that now exist by law in civil cases in which the United States are a party: *Provided, however,* That no such suit shall be brought more than six years after the collision shall have occurred.

Mr. MAHON. Mr. Chairman, I make a point of order on that paragraph.

Mr. SULZER. I reserve a point of order against it, Mr. Chairman.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk read as follows:

That the process or procedure by which suits may or can be brought, and service on or notice to the United States or its officers shall be made or given, may be regulated by courts of admiralty by rules or orders made therein; and it shall be the duty of the Attorney-General of the United States to cause the United States attorney in each district to appear for and defend the United States in any such suit brought in his district.

Mr. MAHON. Mr. Chairman, I make a point of order against that paragraph.

Mr. SULZER and Mr. FITZGERALD also made a point of order against the paragraph.

The CHAIRMAN. The point of order is sustained.

Mr. LITTAUER. Now, Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Insert after line 16, page 4, the following:
"That the tariff duties, both import and export, imposed by the authorities of the United States or of the provisional military government thereof in the Philippine Islands prior to March 8, 1902, at all ports and places in said islands upon all goods, wares, and merchandise imported into said islands from the United States, or from foreign countries, or exported from said islands, are hereby legalized and ratified, and the collection of all such duties prior to March 8, 1902, is hereby legalized and ratified and confirmed as fully to all intents and purposes as if the same had by prior act of Congress been specifically authorized and directed."

Mr. SULLIVAN of Massachusetts. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

After line 2, on page 5, add:
"*Provided, however,* That nothing herein contained shall operate to divest any claimant who has filed his claim in the Court of Claims of any right possessed by him at this date."

Mr. LITTAUER. Mr. Chairman, I make a point of order against that amendment, that it is new legislation and does not come within the terms of the rule.

The CHAIRMAN. The Chair is of opinion that the amendment is in order. It is germane to the amendment offered by the gentleman from New York.

Mr. OLMSTED. Mr. Chairman, the proposition before the committee is to prevent the success of claims which have been and will be made for the payment out of the Treasury of the United States of amounts aggregating something like $15,000,000 collected by the Philippine government as import and export

duties in those islands under orders issued by President William McKinley, and amendments thereto, one of which, I think, was by President Roosevelt. These moneys which it is sought to compel the United States to pay out of the Treasury——

Mr. SULLIVAN of Massachusetts. Will the gentleman yield?

Mr. OLMSTED. Yes; for a question.

Mr. SULLIVAN of Massachusetts. Concerning the statement of the gentleman that these claims will aggregate $15,000,000, I would like to ask where the gentleman gets his information? He ought to offer something to control the statement of the Attorney-General that the amount filed is about three and one-half millions.

Mr. OLMSTED. I do not want the gentleman to take up my time. I will insert, as a part of my remarks, a letter addressed by the Secretary of War to an honorable Member of this body, a member of the Committee on Insular Affairs, of which I also am a member, in which the Secretary of War states that the duties collected on imports and exports amount to the sum of $15,000,000; claims already filed and shown in the brief which has been submitted in opposition to this amendment aggregate some three and a half million dollars.

Now, this money, none of it, not a dollar of it, was ever paid into the Treasury of the United States. It was all collected in the Philippines and expended there in maintaining the government and in public improvements and in protecting the property and business of those who now claim it. So the attempt is to take out of the Treasury, to make the United States liable for, this large sum of money, which never was in the Treasury. The allegation is that the President of the United States had no authority to impose these duties, and that the Supreme Court has so decided. The Supreme Court has decided that the President did not in strictness of law have the right to impose such obligations, to be effective after the ratification of the treaty of peace with Spain, April 11, 1899; but Congress in 1902 attempted to ratify and make good the authority under which those duties were collected. It used this language in the act of 1902:

The action of the President of the United States heretofore taken by virtue of the authority vested in him as Commander in Chief of the Army and Navy, as set forth in his order of July 12, 1898, whereby a tariff of duties and taxes, as set forth by said order, was to be levied and collected at all ports and places in the Philippine Islands upon passing into the occupation and possession of the forces of the United States, together with the subsequent amendments of said order, are hereby approved, ratified, and confirmed, and the actions of the authorities of the government of the Philippine Islands, taken in accordance with the provisions of said order and subsequent amendments, are hereby approved.

We thought that ratified and confirmed and made legal these duties. The Supreme Court of the United States, however, in the Barnes case, has held that we did not use language broad enough to confirm and ratify the duties themselves. We thought we had done so, but the court which has the last guess, the court of ultimate conjecture, thinks that we did not think what we thought we thought, nor intend what we thought we intended, and therefore the court has held that we did not ratify those duties. The court put its first decision upon the ground that the order did not extend beyond the ratification of the treaty with Spain. A rehearing was granted, upon which it was shown that there had been a supplemental order and amendment, which was included in the act of 1902, and that the act of 1902 did ratify and confirm the duties.

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. PARKINSON, its reading clerk, announced that the Senate had agreed to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the following titles:

H. R. 7099. An act to amend section 2871 of the Revised Statutes; and

H. R. 13193. An act to prohibit the killing of wild birds and wild animals in the District of Columbia.

IMMUNITY OF WITNESSES.

Mr. JENKINS. Mr. Speaker, I present a conference report on the bill (S. 5769) defining the right of immunity of witnesses, etc., together with the statement of the conferees, for printing under the rules.

The SPEAKER. The conference report will be printed under the rule.

UNITED STATES DISTRICT COURT FOR CHINA.

Mr. DENBY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 17345) creating a United States district court for China and prescribing the jurisdiction thereof, with Senate amendments thereto.

The SPEAKER. The gentleman from Michigan asks unanimous consent to take from the Speaker's table the bill referred to. Is there objection?

There was no objection, and it was so ordered.

The Senate amendments were read.

Mr. DENBY. Mr. Speaker, I move to nonconcur in the Senate amendments and ask for a conference.

The motion was agreed to.

The Chair announced the following conferees on the part of the House: Mr. PERKINS, Mr. DENBY, and Mr. HOWARD.

NATURALIZATION LAW.

Mr. BONYNGE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 15442) to establish a Bureau of Immigration and Naturalization and to provide for a uniform rule for the naturalization of aliens throughout the United States, with Senate amendments thereto.

The SPEAKER. The gentleman from Colorado asks unanimous consent to take from the Speaker's table and have laid before the House the bill referred to. Is there objection?

There was no objection, and it was so ordered.

The Senate amendments were read.

Mr. BONYNGE. Mr. Speaker, I move that the House nonconcur in the Senate amendments and ask for a conference.

The motion was agreed to.

The Chair announced the following conferees on the part of the House: Mr. BONYNGE, Mr. HOWELL of New Jersey, and Mr. BURNETT.

POSTAL COMMISSION.

The SPEAKER. Without objection, the Chair will have announced at this time the postal commission appointed on the part of the House under the post-office appropriation bill.

The Clerk read as follows:

Mr. OVERSTREET, Mr. GARDNER of New Jersey, Mr. MOON of Tennessee,

IMPROVEMENT OF MISSISSIPPI RIVER.

The SPEAKER laid before the House the following request from the Senate:

IN THE SENATE, *June 27, 1906.*

Resolved, That the Secretary be directed to request the House of Representatives to return to the Senate the joint resolution (S. R. 70) providing for the improvement of a certain portion of the Mississippi River.

The SPEAKER. Without objection, the request will be granted.

There was no objection, and it was so ordered.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message in writing from the President of the United States was communicated to the House of Representatives by Mr. BARNES, one of his secretaries, who also informed the House of Representatives that the President had approved and signed bills of the following titles:

On June 25:

H. R. 9343. An act providing for the resurvey of certain townships of land in the county of Baca, Colo.;

H. R. 19181. An act to grant a certain parcel of land, part of the Fort Robinson Military Reservation, Nebr., to the village of Crawford, Nebr., for park purposes;

H. R. 3459. An act for the relief of John W. Williams;

H. R. 14171. An act making appropriations for fortifications and other works of defense, for the armament thereof, for the procurement of heavy ordnance for trial and service, and for other purposes; and

H. R. 20119. An act to authorize the village of Oslo, Marshall County, Minn., to construct a bridge across the Red River of the North.

On June 26:

H. R. 4580. An act for the relief of Blank & Parks, of Waxahachie, Tex.;

H. R. 1326. An act granting an increase of pension to Ora P. Howland;

H. R. 13543. An act for the protection and regulation of the fisheries of Alaska;

H. R. 15513. An act to declare and enforce the forfeiture provided by section 4 of the act of Congress approved March 3, 1875, entitled "An act granting to railroads the right of way through the public lands of the United States;" and

H. R. 16953. An act making appropriations for the service of the Post-Office Department for the fiscal year ending June 30, 1907, and for other purposes.

On June 27:

H. R. 18198. An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1907, and for other purposes; and

H. R. 18529. An act to authorize the sale of certain lands to the city of Mena, in the county of Polk, in the State of Arkansas.

MESSAGE FROM THE PRESIDENT.

The SPEAKER laid before the House the following message from the President of the United States:

To the House of Representatives:

In compliance with the resolution of the House of Representatives, the Senate concurring, on the 25th instant, I return herewith House bill No. 18668, entitled "An act ratifying and confirming soldiers' additional homestead entries heretofore made and allowed upon lands embraced in what was formerly the Columbia Indian Reservation, in the State of Washington."

THEODORE ROOSEVELT.

The SPEAKER. Without objection, for the present the message will lie on the Speaker's table.

There was no objection.

LAKE ERIE AND OHIO RIVER SHIP CANAL.

Mr. DAVIDSON. Mr. Speaker, I submit a conference report on the bill (H. R. 14396) to incorporate the Lake Erie and Ohio River Ship Canal, to define the powers thereof, and to facilitate interstate commerce, together with the statement of the conferees thereon for printing under the rule.

The SPEAKER. The report and statement will be printed under the rule.

JAMES M. ROBINSON AND SALLIE D. M'COMB.

Mr. OTJEN. Mr. Speaker, I submit a conference report on the bill (H. R. 10610) for the relief of James M. Robinson and Sallie D. McComb, together with the statement of the conferees thereon for printing under the rule.

The SPEAKER. The report and statement will be printed under the rule.

GENERAL DEFICIENCY BILL.

The committee resumed its session.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. LITTAUER. Mr. Chairman, I ask unanimous consent that the gentleman may complete his remarks.

The CHAIRMAN. The gentleman from New York asks unanimous consent that the gentleman from Pennsylvania may conclude his remarks. Is there objection?

Mr. SULLIVAN of Massachusetts rose.

Mr. OLMSTED. I shall be very brief, I shall say to the gentleman.

Mr. SULLIVAN of Massachusetts. I simply want to have an equal amount of time on this side. That is the understanding.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. OLMSTED. Mr. Chairman, as I was just showing when interrupted, the Supreme Court held that in passing the act of 1902 Congress had not, as it supposed it had, ratified these duties. Now it is urged, and we are led to believe by gentlemen opposed to this amendment, that the court held that Congress had not the authority to ratify and make legal the duties collected between July 12, 1898, and March 8, 1902, the period covered by this amendment. I call attention, first, to the fact that if the court had held that, it never would have granted a rehearing for the purpose of determining whether or not Congress had attempted to ratify. It would have been a senseless proceeding to occupy the time of the court, of the Government, and of private counsel to determine whether or not Congress had attempted to do something which the court held it had not the power to do at all. In the opinion of the court I find this language:

Even if Congress could deprive the plaintiffs of their vested rights in process of being asserted (Hamilton *v.* Dillin, 21 Wall., 73), still it is not to be presumed to do so on language which literally has a narrower sense.

That is from the majority opinion, after rehearing, in the cases of Lincoln and others against the United States, and Warner, Barnes & Co. against the United States.

In other words, the court itself in these very cases cited here in support of the proposition that Congress can not do what we are trying to do, quotes approvingly the twenty-first Wallace case, to which I shall refer in a moment, and which is authority in support of the power of Congress to ratify.

Mr. PARSONS. Is there not in the next paragraph cited an opinion which threw doubt on whether Congress had that power?

Mr. OLMSTED. Yes; it cites an opinion, rather, in which the judge who wrote it used some language which might by possibility, though not by fair construction, be held as indicating that he had that opinion.

Mr. DALZELL. But that question was not before the court.

Mr. OLMSTED. The question was not before the court, and what the court did hold in that case of De Lima *v.* Bidwell was that it would not construe an act as having a retroactive effect unless the language plainly required it to do so. Now, in this brief which has been handed around here the opinion of the majority of the court in the Lincoln and Walter Barnes cases is published, but for some reason or other the opinion of the two justices, who, although they had concurred in the original ruling, dissented after the rehearing, is not printed. I call attention to that. It is written by Mr. Justice White, who says:

Construing the act of Congress which has been relied upon to establish the ratification—

That is the act of 1902—

by the light of the public documents referred to—

Meaning the supplements and amendments to the original order of President McKinley and referred to in the act of 1902—

my mind sees no possible escape from the conclusion that that act was intended to and did ratify the collection of the charges complained of.

You see he differed from the majority of the court upon the question whether or not Congress had ratified them, and then he said this:

Having no doubt of the power of Congress to ratify, to my mind it clearly results that I erred in giving my assent to the previous judgment of reversal, and I therefore dissent from the opinion and conclusion of the court now announced.

Now, as I have pointed out, the court, in the majority opinion, referred to the case of Hamilton *v.* Dillin, 21 Wallace. The opinion written by Mr. Justice Bradley in that case was concurred in by the entire court. President Lincoln had issued an order in 1861 permitting trade with some of the Southern States during the civil war to be had under regulations issued by the Secretary of the Treasury. The Secretary of the Treasury had made a regulation that anybody wishing to buy cotton in certain States could do so by paying a license or penalty or tax, or whatever you call it, of 4 cents a pound. It was contended that neither the President nor the Secretary of the Treasury had any right to impose any such tax or license fee. Thereupon the Congress, three years later, in 1864, passed an act ratifying and confirming those charges.

Mr. Justice Bradley, speaking for the Supreme Court, said, on page 96:

We are also of the opinion that the act of July 2, 1864 (13 Stat. L., 375), recognized and confirmed the regulations in question.

Then he quotes from the act and proceeds to say:

It will be observed that the law was prospective, relating to moneys thereafter to be received as well as to those already received. This was clearly an implied recognition and ratification of the regulations so far as any ratification on the part of Congress may have been necessary to their validity.

I call attention to another decision of the Supreme Court of the United States directly upon the point, found in Mattingly *v.* The District of Columbia.

Under the authority of the then District assembly in the District of Columbia improvements had been made and their payment provided for by assessments to the amount of one-third of their cost levied upon the property holders by the front-foot rule. It was held that those assessments were illegal. Congress passed an act several years afterwards ratifying and confirming them, whereupon the Supreme Court, as stated in the syllabus, held that—

Congress in exercising legislation over property and persons within the District of Columbia may, providing no intervening rights are thereby impaired, confirm the proceedings of an officer in the District or of a subordinate muncipality, or other authority therein, which without such confirmation would be void.

Mr. SHERLEY. Will the gentleman read to the House the ruling as stated in this Mattingly case by Judge Cooley and approved by the Supreme Court, on page 600?

Mr. OLMSTED. The gentleman may read that. I do not want to take up so much time. It is all in support of my proposition.

Mr. SHERLEY. The gentleman, of course, does not want to mislead the House. Now, the Mattingly case was a case where the action that was ratified by Congress was not a void action in the first instance. The case at bar is a case where the action of the President was absolutely void. Judge Cooley makes the plain distinction.

Mr. OLMSTED. Judge Cooley did not decide that case. The Supreme Court decided it and ruled the precise point, as shown by the syllabus which I have read, that by confirmation Congress may make that valid which without such confirmation by Congress would be void. Language could not be planer. And, again, as appears also in the syllabus, the court held:

That such confirmation was as binding and as effectual as if authority had been originally conferred by law to direct the improvements and make the assessments.

Mr. PADGETT. Is it not an axiomatic principle of law that a void act is incapable of ratification, and can not be ratified if it is void?

Mr. OLMSTED. The gentleman may, if he desires, put his opinion against that of the Supreme Court which I have just read, which plainly declares that Congress may by this ratification make that valid which without such ratification would have been void.

Mr. PADGETT. I am not speaking of my own opinion. I am speaking of what the text writers in the law books recognize as a fundamental principle of law.

Mr. DALZELL. Does not the gentleman recognize the difference between the act of an individual which is subsequently ratified and an act of sovereignty which is subsequently ratified? There is all the difference in the world.

Mr. PADGETT. I say that an act that is void is incapable of ratification, because it is only a void act when ratified.

Mr. OLMSTED. I can not yield further for discussion on that point.

Mr. GROSVENOR. I would like simply to call to the attention of the gentleman from Pennsylvania [Mr. OLMSTED] the case of Mattingly *v.* The District of Columbia, in the——

Mr. OLMSTED. That is the case from which I have just been reading.

Mr. GROSVENOR. That is exactly in point, and exactly answers the gentleman from Tennessee.

Mr. OLMSTED. Now, Mr. Chairman, in the case of De Lima *v.* Bidwell, which is relied upon in opposition to this amendment, Mr. Justice Brown did say, in substance, that perhaps if the taxes had been paid under protest and the action commenced before the ratification act there might be some doubt. But these duties were not paid under protest, and I have called attention to several decisions expressly upon the point, showing that we have the power by ratification to make these duties valid.

We find when we come to refer to the list of claims that the most of them were not filed until after the decision of the Supreme Court of the United States in the Lincoln and Warner Barnes cases. I will refer to this on the alleged question of contract or agreement.

Mr. PARSONS. I made the computation, and I think the gentleman is in error in that the number of claims are about a million dollars, and were not filed until after the first opinion was rendered by the Supreme Court, but two millions had been filed prior to that.

Mr. OLMSTED. Well, there is a list of them here, and I will put them in my remarks if I get permission a little later.

Mr. BUTLER of Pennsylvania. What are these claims? How much do they amount to?

Mr. OLMSTED. The claims already filed amount to about three and a half millions, and the claims that might be made would amount to $15,000,000.

It has been claimed here—the gentleman from Massachusetts put in evidence a letter from the Assistant Attorney-General which he claimed showed that there was some kind of an agreement between the Department of Justice and those claimants with which it would be inequitable for us to interfere. But looking at that letter, which I hold in my hand, a copy which he offered, I find that it says this:

> After the Supreme Court had reversed the decision of the Court of Claims in the Warner Barnes case, arrangements had about been completed for the appointment of an auditor to report the facts to the court in the other cases, when the motion for a rehearing was made, whereupon, by mutual consent, all further proceedings were suspended pending the result of the motion.

Now, that is all there was about that. There was no agreement that any other case should abide by the decision of these cases. The Court of Claims would not have appointed an auditor in any event pending the motion for rehearing. Both sides simply quit and waited for the decision upon that motion. By so doing the claimants neither gained nor lost any rights nor changed their status in any way. That there was no such agreement as is claimed or, rather, insinuated, is made clear by the letter from the Attorney-General himself in his letter not yet twenty-four hours old:

OFFICE OF THE ATTORNEY-GENERAL,
Washington, D. C., June 26, 1906.

MY DEAR JUDGE CRUMPACKER: Secretary Taft has brought to my attention the letter which he wrote to you, under date of June 25, concerning the proposed legislation ratifying the collection of duties in the Philippines between the date of the exchange of the ratifications of the treaty and the imposition of a tariff by Congressional authority. I did not argue the case in the Supreme Court when it was originally submitted, but I did move for a rehearing, and applied for leave to argue the case orally, and then made an oral argument. I send you a copy of that argument, which you probably can not at this time read.

I agree with the statement of the case by the Secretary of War. I can not have the slightest doubt that it was the intention of Congress to have ratified the collection of those duties in the original ratifying act, but of course I submit cheerfully to the opinion of the majority of the court to the contrary. These claims are highly inequitable, and it seems to me that it is the duty of Congress to protect the Government against all claims of this class except those which have gone to judgment. In the absence of legislation, I should fear the result of any case brought to recover duties collected during this period on goods coming from all foreign countries, for it would be difficult within the reasoning of the court to contend that the validity of the order imposing the duties did not cease with the war with Spain. Of course, goods coming from Spain during this period are entitled by the treaty to come in upon an equality with goods coming from the United States.

There was no agreement made by this Department, with which I am aware, that the cases in the Supreme Court should be regarded as conclusive of any other cases.

I send this hasty note to you at the request of Secretary Taft.

Sincerely, yours,

W. H. MOODY.

Hon. EDGAR D. CRUMPACKER,
Committee on Insular Affairs, House of Representatives.

I have had a conversation with the Attorney-General over the telephone, in which he reiterated that statement and authorized me to say that there was no contract or agreement which should in any way operate to embarrass or affect us in passing this amendment ratifying these duties.

The letter of the Secretary of War referred to and indorsed by the Attorney-General is the one to which I have already referred, and which I am authorized by Secretary Taft, and also by the recipient of the letter, to make public. It contains the following complete statement of the case:

WAR DEPARTMENT,
Washington, June 25, 1906.

MY DEAR JUDGE CRUMPACKER: I am very anxious to secure the passage of an act at this session of Congress which shall ratify and legalize the collection of duties, export and import, collected in the Philippine Islands by the provisional military government established by President McKinley and continued under President Roosevelt prior to March 8, 1902, when Congress passed its first Philippine tariff act.

The duties collected between April 11, 1899, the date of the ratification of the treaty of cession, and March 8, 1902, must have aggregated at least $15,000,000 gold. This sum was expended in furnishing a government for Manila and the islands and in public improvements. It was paid chiefly by large importers and exporters who sold their goods at profitable prices including the duties paid, and who enjoyed the benefit and protection of the government which the taxes were expended to support. The money paid as duties never came into the Treasury of the United States at all.

After the insular decisions, in which it was held that the Philippine Islands were territory belonging to the United States, in which the President as Commander in Chief has no power to impose duties on merchandise imported from the United States, Congress passed a law approved July 1, 1902, in the second section of which it was supposed by the War Department that Congress had ratified the duties collected in the islands prior to March 8, 1902. Section 2 is as follows:

"SEC. 2. That the action of the President of the United States heretofore taken by virtue of the authority vested in him as Commander in Chief of the Army and Navy, as set forth in his order of July 12, 1898, whereby a tariff of duties and taxes as set forth by said order was to be levied and collected at all ports and places in the Philippine Islands upon passing into the occupation and possession of the forces of the United States, together with the subsequent amendments of said order, are hereby approved, ratified, and confirmed, and the actions of the authorities of the government of the Philippine Islands, taken in accordance with the provisions of said order and subsequent amendments, are hereby approved: *Provided*, That nothing contained in this section shall be held to amend or repeal an act entited 'An act temporarily to provide revenue for the Philippine Islands, and for other purposes,' approved March 8, 1902."

Before the passage of this act of July 1, 1902, suits had been brought by certain importers against the United States in the circuit court of the United States and in the Court of Claims to recover back duties paid in the Philippines after April, 1899, and prior to March 8, 1902. The United States defended on many grounds, the main one being that there was a state of war due to the insurrection between the two dates which justified the imposition of such taxes as a military exaction, and another being that even if the taxes were illegal when imposed and collected, they were made legal by the ratification of them by Congress in section 2 of the act of July 1, 1902, above quoted.

The Court of Claims upheld the first defense of the United States above stated, to wit, that there was, when the taxes were levied and collected, a state of actual war, in which they were justified as a military exaction, and so did not find it necessary to pass on the question of ratification. The two cases were appealed to the Supreme Court by the claimants, and that court decided that there was no such state of war in the Philippines as to justify the holding of the Court of Claims, and further held that section 2 of the act of July 1, 1902, did not in fact ratify and confirm the duties collected between April 11, 1899, and March 8, 1902, because by its terms it only ratified duties collected in pursuance of the Executive order of President McKinley of July 12, 1898, and subsequent amendments; that the order of July 12, 1898, was a war order, intended to be effective only during the war with Spain, and duties collected after the treaty of peace could not be said to be collected in pursuance of that order, and were, therefore, not within the ratification of the section relied upon.

The result of the decision of the Supreme Court was to increase greatly the number of claims filed in the Court of Claims, so that the aggregate amount claimed amounts to three and one-half millions gold.

A petition for rehearing was filed in the Supreme Court by the Attorney-General urging that an error had been made by the court in failing to note that while the original order of July 12, 1898, might have been limited to the period before the treaty of peace, the section included not only duties collected in pursuance of the original order of July 12, 1898, but also those collected in pursuance of amendments to the order, and that one or more of the amendments were made after the treaty of peace. The petition for rehearing was granted for argument solely on the point whether Congress had ratified the collection of the duties collected and now sought to be recovered. On the rehearing, the court, which had been unanimous in the first hearing divided, a majority affirming their previous decision, while Mr. Justice White and Mr. Justice McKenna dissented, expressing the opinion that Congress had ratified the collection of the taxes sought to be refunded and that, as

there was no doubt about the power of Congress to ratify, the judgment should be against the claimants. The duties sought to be recovered in these suits are only those imposed on goods coming into the Philippines from the United States; but if the collection of duties on goods coming from the United States was illegal, it is difficult to see how duties imposed by the same authority on goods coming from foreign countries were not equally unauthorized and illegal and why export duties were not also beyond the power of the Philippine authorities to collect.

In other words, there is very grave danger that under the decision of the Supreme Court and its construction of section 2 of the act of July 1, 1902, claims may be successfully presented and judgment obtained for the whole fifteen millions or more collected and expended in governing the Philippines for two years, so that this burden shall be saddled on the United States, to reimburse the persons who have already reimbursed themselves for the duties they paid in the prices at which they sold the imported or exported merchandise, and who have enjoyed the two years of protection that the Government which these duties supported afforded them. There is, therefore, not the slightest real equity existing in favor of these claimants, and it is right and just that if Congress can by curative legislation in any way defeat these claims, it should do so.

You, who were cognizant of the purpose of the act of July 1, 1902, know that it was the intention of the second section of that act to confirm and legalize the collection of these very duties, but the language selected must have been unfortunate. The court say in its opinion, in effect, that Congress might have used language specifically ratifying these duties, and because it did not do so and used doubtful language, it would construe the section strictly and hold that Congress did not thereby intend to ratify these duties. It seems to me, therefore, that Congress may properly now ratify specifically these duties and come up to the measure set by the court.

It is argued that this proposed act is beyond the power of Congress because it defeats vested rights. If that be true, why did the court consider the question of ratification at all? Why did it give a rehearing on the question whether Congress had in fact ratified the collection of the taxes? Why did it not invite a hearing on the question whether Congress could ratify, and if there were no power to ratify, base its decision on that conclusive ground? The truth is that the Supreme Court in the case of Hamilton *v.* Dillon (21 Wall., 73), has expressly upheld the power of Congress to ratify taxes collected without authority. The claimants have all along contended that the case of De Lima *v.* Bidwell (182 U. S., 1) was an authority for the proposition that retroactive legislation of this character, especially after suit brought, was unconstitutional. There was in that case an obiter dictum by Justice Brown, that after suit brought, it would seem that right to recover duties illegally paid could not be divested by curative or retroactive legislation.

The decision in De Lima *v.* Bidwell, however, was put on a different ground. It is full of significance that if Justice Brown's dictum had been recognized as law by the court it would have furnished a conclusive reason for deciding the cases just decided against the United States without any regard to the intention of Congress to ratify the collection of the duties involved, because, as already stated, the act of July 1, 1902, relied on for ratification, was passed after the claims before the court had been filed in the Court of Claims; and yet the court in these cases, not only in its original decision, but also in its order granting a rehearing, and also in its second decision, made the question whether Congress had intended by section 2 of the act of July 1, 1902, to ratify the collection of these duties, the turning point of the case. De Lima *v.* Bidwell, supra, is cited by the Supreme Court in the decisions in the present cases not for the point relied on by the claimants, which, as I have said, would have been conclusive and foreclosed all necessity for considering the question of ratification, but merely to the point that the court will strictly construe retroactive legislation of this character.

The mere fact of bringing a suit does not change the nature of a right. If vested before suit, it is vested afterwards. If capable of being lawfully divested before suit, it may be lawfully divested after suit brought. A judgment, of course, changes the nature of a right so that it can not be divested, but until judgment, verification may take effect. The proper limit to ratification is this, that the depository of authority may ratify any act done by one assuming authority without warrant, and validate the act as against a third party if meantime, i. e., between the act and the ratification, the third party affected has not changed his situation to his injury so as to make the validation of the act inequitable. How have the claimants here changed their situation to their injury in any way by the mere filing of the suits in the Court of Claims? As already said, this proposed act could not invalidate judgments already entered, and does not do so, but it may affect, and ought to affect, pending causes, and it will affect, and ought to affect, the myriad of claims that will be filed hereafter in order to enable the importers and exporters of the islands, most of them foreigners, to eat their cake and have it, too—to collect the duties from the consumers in the prices charged on the one hand, and to collect the duties again from the United States on the other, and also to enjoy the protection of the Government supported by these duties.

If this proposed act is invalid because it attempts to defeat vested rights, a view which the course of the court in these cases does not sustain, then the claimants will not be affected injuriously by it, for it would not prevent the court from giving judgment for the claimants on any of these claims. On the other hand, if the proposed act is within the power of Congress, there is not the slightest doubt of its duty to protect the Government against such inequitable claims by such curative legislation.

I inclose copies of the two opinions of the Supreme Court and the petition of the Attorney-General for rehearing.

Sincerely, yours,

WM. H. TAFT.

Hon. EDGAR D. CRUMPACKER,
Committee on Insular Affairs, House of Representatives.

Now, one word further. I call the attention of the gentleman from Massachusetts and of my friend from New York, who interrupted. If they will look at the list of these claims they will find that almost all of them were filed after the decision of the Supreme Court, which was filed April 3, 1905. Beginning with April 11, 1905, we find Stahl & Rumcker, a German firm; Leonora T. Aylade Zobel, a Filipino; and then Fabricade Tabacos La Insular and Alfredo Chicote, and then the first American claim after that date is that of the Standard Oil Company, of New York, for $173,221.44, filed April 12, 1905. That is all on page 1, and then a whole list of German and other claimants filling three pages more of hard names, with an occasional American by way of relief.

Mr. PARSONS. That was filed after April 3?

Mr. OLMSTED. That was filed April 11, 1905; which is after April 3.

Mr. BUTLER of Pennsylvania. Are the claims for duties they should have collected?

Mr. OLMSTED. These claims are made mostly by residents of foreign nations upon the Treasury of the United States for money which, as I explained, never went into the United States Treasury, but which they paid for the privilege of doing business in the Philippine Islands; paid without protest; paid supposing, as we all supposed, that the duties were legally due. We now propose to make them legal. The duties thus paid were all expended in the Philippines. It seems to me that any gentleman can cheerfully support this amendment who is more in favor of protecting the Treasury of the United States than he is in favor of protecting the interest of these foreign and a few American claimants, who have already reimbursed themselves by adding these duties to the prices charged for their goods. There is no equity in their claims. There is no question of power. The question is whether Congress shall or shall not stand between the people's Treasury and this stupendous raid upon its contents. [Applause.]

Mr. FITZGERALD. Does the gentleman believe that the personality of the claimant makes any difference as to what shall be done?

Mr. OLMSTED. It would not make a particle of difference with me, but if I were defending these claims I should expect the gentleman from New York to make a difference.

Mr. FITZGERALD. The gentleman emphasized particularly the fact that the Standard Oil Company has a claim of $173,000, while the total amount involved is over $15,000,000.

Mr. OLMSTED. There are a few other Americans that have some claims, but it does not make any difference whether they are Americans or foreigners.

Mr. FITZGERALD. Was there any special reason why the gentleman emphasized that particular fact?

Mr. OLMSTED. I did not emphasize that. I can not read the whole list. I will insert all the names in the RECORD with my remarks, if permission is given, without italics of emphasis on one of them. What we propose is to protect the Treasury of the United States against all these claimants, no matter what their nationality may be.

Mr. FITZGERALD. So that the name makes no difference?

Mr. OLMSTED. Not a particle.

Claims filed up to July 1, 1902.

22761.	Jan. 25, 1902.	Smith, Bell & Co. (British)	$2,000.00
22808.	Feb. 27, 1902.	Guiterrez Hermanos (Spanish)	69,469.98
22809.	Feb. 27, 1902.	Juan B. Gomez (Spanish)	9,876.88
22810.	Feb. 27, 1902.	Juan B. Gomez (Spanish)	1,563.55
22812.	Mar. 3, 1902.	Warner, Barnes & Co. (British)	700.00
22816.	Mar. 5, 1902.	Perez & Co. (Spanish)	700.00
22817.	Mar. 5, 1902.	Perez & Co. (Spanish)	8,000.00
22823.	Mar. 13, 1902.	Ker & Co. (British)	90,000.00
22825.	Mar. 13, 1902.	Ker & Co. (British)	2,150.00
22879.	May 19, 1902.	Jacob H. Ankrom (German)	72,568.43
22904.	June 21, 1902.	Pacific Oriental Trading Co. (American)	104,374.53
22905.	June 21, 1902.	Pacific Oriental Trading Co. (American)	33,148.86
22907.	June 25, 1902.	Robinson & Co. (British)	60,000.00
	Total		454,552.23

Claims filed on and since July 1, 1902.

22914.	July 1, 1902.	C. Heinszen & Co. (German)	$125,000.00
23117.	Nov. 28, 1902.	Pacific Oriental Trading Co. (American)	125,761.18
24313.	Oct. 30, 1903.	The American Commercial Co. (American)	3,011.37
24314.	Oct. 30, 1903.	The American Commercial Co. (American)	267,556.21
24315.	Oct. 30, 1903.	The American Commercial Co. (American)	3,591.52
24316.	Oct. 30, 1903.	The American Commercial Co. (American)	550,875.34
27736.	Apr. 11, 1905.	Stahl & Rumcker (German)	6,500.00
27737.	Apr. 11, 1905.	Lenora T. Aylade Zobel (Filipino)	5,500.00
27738.	Apr. 11, 1905.	Fabricade Tabacos La Insular (Filipino)	400.00
27739.	Apr. 11, 1905.	Alfredo Chicote Beltran or Alfredo Chicote (Filipino)	5,500.00
27757.	Apr. 12, 1905.	The Standard Oil Co., of New York (American)	173,221.44
27772.	Apr. 17, 1905.	John M. Switzer (German)	20,000.00
27773.	Apr. 17, 1905.	Calder & Co. (British)	4,000.00
27774.	Apr. 17, 1905.	Lambert & Presty (British)	2,600.00
27775.	Apr. 17, 1905.	Manila Navigation Co. (American)	3,100.00
27776.	Apr. 17, 1905.	Philippine Lumber and Development Co. (American)	1,400.00
27777.	Apr. 17, 1905.	John Parsons (American)	3,000.00
27778.	Apr. 17, 1905.	Teodore de los Reyes (Filipino)	1,900.00
27779.	Apr. 17, 1905.	Successors of R. Bren (Filipino)	375.00
26013.	Aug. 18, 1904.	Kuenzle & Strieff (Swiss)	140,000.00

26014.	Aug. 18, 1904.	Kuenzle & Strieff (Swiss)	$175, 000. 00
26015.	Aug. 18, 1904.	Holliday, Wise & Co. (British)	117, 000. 00
27176.	Dec. 22, 1904.	Edward A. Keller Sturche (Swiss)	79, 790. 89
27177.	Dec. 22, 1904.	Edward A. Keller Sturche (Swiss)	2, 226. 27
27591.	Apr. 1, 1905.	Compania General de Tabacos de Filipinas (Spanish)	25, 936. 55
27592.	Apr. 1, 1905.	E. C. McCullough & Co. (British)	72, 050. 00
27593.	Apr. 1, 1905.	Ynchansti Companie (Filipino)	9, 740. 00
27594.	Apr. 1, 1905.	American Hardware & Plumbing Co. (American)	14, 610. 00
27595.	Apr. 1, 1905.	Newhall & Fenner (American)	5, 357. 00
27596.	Apr. 1, 1905.	Findlay & Co. (British)	19, 967. 00
27597.	Apr. 1, 1905.	Macondray & Co. (British)	40, 395. 00
27598.	Apr. 1, 1905.	Sackerman & Co. (German)	36, 525. 00
27599.	Apr. 1, 1905.	Lutz, Moll & Co. (German)	50, 000. 00
27600.	Apr. 1, 1905.	Behm, Myer & Co. (German)	100, 000. 00
27608.	Apr. 1, 1905.	Sprungli & Co. (Swiss)	3, 477. 86
27712.	Apr. 10, 1905.	Manuel T. Figueras (Filipino)	20, 500. 00
27713.	Apr. 10, 1905.	Compania Maritima (Filipino)	5, 750. 00
27727.	Apr. 10, 1905.	Conrad Struckmann et al. (German)	92, 361. 88
27728.	Apr. 11, 1905.	Hoskyn & Co. (British)	4, 700. 00
27729.	Apr. 11, 1905.	Union Farmacentica Filipinas (Filipino)	2, 100. 00
27730.	Apr. 11, 1905.	Cesar Garcia, administrator of one Gomez (Filipino)	150, 000. 00
27731.	Apr. 11, 1905.	Manuel Earnshaw & Co. (British)	3, 900. 00
27732.	Apr. 11, 1905.	Juan Tuason, liquidator of G. Hollman & Co. (Filipino)	40, 000. 00
27733.	Apr. 11, 1905.	Meerkamp & Co. (German)	900. 00
27734.	Apr. 11, 1905.	Reyes & Smith (Filipino)	25, 000. 00
27735.	Apr. 11, 1905.	Kunzle & Strieff (Swiss)	3, 400. 00
27780.	Apr. 17, 1905.	Forbes, Munn & Co. (British)	50, 000. 00
27781.	Apr. 17, 1905.	Felix Ullmann (German)	5, 000. 00
27782.	Apr. 17, 1905.	E. J. Smith (Filipino)	25, 000. 00
27783.	Apr. 17, 1905.	D. H. Gulick (Filipino)	2, 500. 00
27650.	Apr. 10, 1905.	Levy Brothers (American)	5, 000. 00
27651.	Apr. 10, 1905.	Henry D. Wolf (American)	5, 500. 00
27652.	Apr. 10, 1905.	Erlanger & Galinger (German)	20, 000. 00
27653.	Apr. 10, 1905.	Heacock & Freer (British)	5, 000. 00
27654.	Apr. 10, 1905.	Carlos Gsell (Swiss)	4, 600. 00
27655.	Apr. 10, 1905.	L. J. Lambert (American)	3, 000. 00
27656.	Apr. 10, 1905.	Daniel Denniston (American)	2, 000. 00
27657.	Apr. 10, 1905.	The B. W. Cadwalader Co. (British)	7, 000. 00
27658.	Apr. 10, 1905.	John Gibson (British)	3, 500. 00
27659.	Apr. 10, 1905.	El Verdadero de Manila (Filipino)	10, 000. 00
27660.	Apr. 10, 1905.	The Singer Manufacturing Co. (American)	8, 500. 00
27661.	Apr. 10, 1905.	Mariano y Chaco (Filipino)	5, 000. 00
27662.	Apr. 10, 1905.	M. A. Clarke (American)	15, 000. 00
27663.	Apr. 10, 1905.	Greilsammer Bros. (German)	1, 200. 00
27664.	Apr. 10, 1905.	Camille Alkam (Filipino)	7, 500. 00
27665.	Apr. 10, 1905.	Francisco Reyes (Filipino)	7, 000. 00
27666.	Apr. 10, 1905.	Froloch & Kuttner (German)	12, 000. 00
27667.	Apr. 10, 1905.	J. F. Ramirez (Filipino)	4, 100. 00
27668.	Apr. 10, 1905.	Rafael Reyes (Filipino)	15, 000. 00
27669.	Apr. 10, 1905.	San Miguel Brewery (American)	4, 600. 00
27670.	Apr. 10, 1905.	J. M. Tuason & Co. (Filipino)	8, 000. 00
27671.	Apr. 10, 1905.	Alfredo Roensch (Filipino)	8, 000. 00
27672.	Apr. 10, 1905.	N. T. Hashim & Co. (Filipino)	30, 000. 00
27673.	Apr. 10, 1905.	Pons & Co. (Filipino)	100. 00
27674.	Apr. 10, 1905.	Santos & Jaehrling (Filipino)	2, 200. 00
27675.	Apr. 10, 1905.	Blanc & Brunschwig (German)	1, 400. 00
27676.	Apr. 10, 1905.	Paul Hube (German)	2, 400. 00
27677.	Apr. 10, 1905.	Serre & Co. (Filipino)	600. 00
27678.	Apr. 10, 1905.	Viuda de M. Soler (Filipino)	1, 900. 00
27679.	Apr. 10, 1905.	A. G. Sibrant, Siegert (German)	1, 400. 00
27680.	Apr. 10, 1905.	Ramon Montes (Filipino)	2, 100. 00
27681.	Apr. 10, 1905.	Lutz & Co. (German)	1, 600. 00
27682.	Apr. 10, 1905.	Rita Donaldson Sim Valdez (Filipino)	10, 000. 00
27683.	Apr. 10, 1905.	La Compañía Electricista (Filipino)	8, 200. 00
27820.	Apr. 24, 1905.	Angel Ortigm (Filipino)	30, 480. 00
27830.	Apr. 26, 1905.	Rueda Hermanos (Filipino)	1, 417. 00
27831.	Apr. 26, 1905.	Hubert y Guamis (Filipino)	1, 800. 00
27832.	Apr. 26, 1905.	Vinda de E. Bota (Filipino)	600. 00
27833.	Apr. 26, 1905.	Cortijo & Co. (Filipino)	650. 00
27834.	Apr. 26, 1905.	Perez Hermanos (Filipino)	350. 00
27835.	Apr. 26, 1905.	Luciano Cordoba (Filipino)	1, 600. 00
			2, 886, 776. 51

Mr. SULLIVAN of Massachusetts. Mr. Chairman, I should like to inquire of the Chair what time the gentleman from Pennsylvania [Mr. OLMSTED] occupied?

The CHAIRMAN. Twenty-three minutes.

Mr. SULLIVAN of Massachusetts. I ask unanimous consent that upon this side we may be given the same time.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that those opposed to the pending provision may have twenty-three minutes in which to debate it.

Mr. DALZELL. I hope that will be granted, Mr. Chairman.

Mr. OLMSTED. Before the gentleman proceeds, I ask unanimous consent to extend my remarks and to insert these lists of names, and so forth.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. LITTAUER. Mr. Chairman, before the gentleman from Massachusetts [Mr. SULLIVAN] takes the floor, I should like to obtain unanimous consent that the debate upon this amendment end at a quarter before 6 o'clock.

The CHAIRMAN. The gentleman from New York asks unanimous consent that all debate on the pending proposition terminate at fifteen minutes before 6. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. BOUTELL having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. PARKINSON, its reading clerk, announced that the Senate had insisted upon its amendments to the bill (H. R. 15442) to establish a Bureau of Immigration and Naturalization, and to provide for a uniform rule for the naturalization of aliens throughout the United States, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. DILLINGHAM, Mr. PENROSE, and Mr. MCLAURIN as the conferees on the part of the Senate.

The message also announced that the Senate had insisted upon its amendments to the bill (H. R. 17345) creating a United States district court for China and prescribing the jurisdiction thereof, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. SPOONER, Mr. KEAN, and Mr. BACON as the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the report of the committee on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10610) for the relief of James N. Robinson and Sallie B. McComb.

SECTION 2871, REVISED STATUTES.

Mr. PAYNE. Mr. Speaker, I present a conference report on the bill (H. R. 7099) to amend section 2871 of the Revised Statutes, to be printed under the rule.

The SPEAKER. The report and statement will be printed under the rule.

FORT CRITTENDEN MILITARY RESERVATION, UTAH.

Mr. LACEY. Mr. Speaker, I present a conference report on the bill (H. R. 12323) to extend the public-land laws of the United States to the lands comprised within the limits of the abandoned Fort Crittenden Military Reservation, in the State of Utah, to be printed under the rule.

The SPEAKER. The conference report will be printed under the rule.

SUNDRY CIVIL APPROPRIATION BILL.

Mr. TAWNEY. Mr. Speaker, I present for printing in the RECORD under the rule a conference report on the bill H. R. 19844—the sundry civil appropriation bill.

The SPEAKER. The report and statement will be printed under the rule.

GENERAL DEFICIENCY APPROPRIATION BILL.

The committee resumed its session.

The CHAIRMAN. The gentleman from Massachusetts [Mr. SULLIVAN] is recognized for twenty-three minutes.

Mr. SULLIVAN of Massachusetts. Mr. Chairman, the first proposition in support of this legislation is that there was no agreement between the Attorney-General's Department and these claimants which Congress ought to respect. In answer to the assertion that there was no agreement, I call attention again to the letter of the Hon. L. A. Pradt, of counsel for the United States, to Henry M. Ward, of counsel for the claimants, in which he says:

> After the Supreme Court had reversed the decision of the Court of Claims in the Warner case—

Which was one of the test cases, I may explain—

> arrangements had been about completed for the appointment of an auditor to report the facts to the court—,

That is, the Supreme Court—

> in the other cases when the motion for a rehearing was made, whereupon, by mutual consent, all further proceedings were suspended pending the result of the motion.

"By mutual consent." Whose consent? Not the voluntary act of the claimants, because that would have no mutuality. There must be two parties in any arrangement which is mutual, and the other party unquestionably was the office of the Attorney-General. Now, what would have been the course of proceeding if it had not been for this arrangement which was adopted by "mutual consent?" The facts would have been reported to the Supreme Court, and if the rehearing had not been granted, the decision of Warner & Barnes would have stood; then judgment would have been entered on the cases upon which the facts had been reported, namely, upon these cases then pending in the Court of Claims.

Can there be any other conclusion upon that point? If there is any doubt remaining in the minds of any Member, let me

read the declaration of the Attorney-General, made in a solemn document which he submitted to the Supreme Court. This declaration was made on the 20th and 26th of May of this year. He submitted a statement of the number and amount of the claims pending in the Court of Claims, and common sense will teach us that he could have submitted them for one purpose, and one purpose only. That purpose was to call to the attention of the Supreme Court the amount of money which the United States would be liable for if the decision in the test cases were upheld. It was said in that brief:

We submit to the court the following statement of claims filed which would come under the decision of the court.

What decision? The decision in the two test cases; that and nothing else. What claims filed? The claims pending in the Court of Claims. What else could be meant? In the statement of May 26, in order to correct the total of claims which were filed in the first brief—and the first brief shows there was seven million and odd dollars liability on the United States and the second brief about three and a half million—he uses this language:

It is unnecessary to say that we had no intention or desire to exaggerate the consequences of the decision, and it is manifest that allowing for the error made—

Now, mark this language—

the sum of money at stake is large enough to justify our previous reference to the money importance of the issue.

What money importance? Money importance of the issue involved in the decision of the cases then pending in the Court of Claims, which would be decided in accordance with the principles of Warner & Barnes. Will any gentleman seek to crawl from under that state of facts and tell this House, on his conscience, that there was no agreement between the Attorney-General's office and these claimants?

Now, Mr. Chairman, something has been said of the amount of these claims. The gentlemen say they amount to $15,000,000. When I asked the gentleman from Pennsylvania upon what authority he stated that $15,000,000 would have to be paid, he said upon the authority of the Secretary of War. But the Attorney-General, on the 26th of May of this year—a little over a month ago—stated that only about three and a half million of claims had been filed. Perhaps some more will be filed, but I am convinced that not more than five million of claims can by any possibility be filed.

Mr. OLMSTED. Will the gentleman permit me a question?

Mr. SULLIVAN of Massachusetts. Yes.

Mr. OLMSTED. The Attorney-General in his statement referred only to the claims which had been filed at that time. Is it not a fact that if we do not pass this law anybody else who paid any duty would have a right to make a claim as well as those who have filed claims?

Mr. SULLIVAN of Massachusetts. Yes; but what I wish to point out to the gentleman is that even in that case there is no authority for the statement that $15,000,000 would be paid out, and the Secretary of War has failed to furnish this House with the evidence upon which the assertion is based.

Mr. OLMSTED. He says that fifteen millions of duties and imports were collected.

Mr. SULLIVAN of Massachusetts. But the gentleman fails to remember, and while I do not say that the Secretary of War neglected to inform him, at all events he does not seem to be informed on this point, namely, that no money will have to be paid out that was collected on imports from foreign countries. That has been decided by the Supreme Court. Neither will any money have to be paid out that was collected on duties between the promulgation of the order and the time of the treaty of peace.

Mr. OLMSTED. That is precisely the point on which there is a difference of opinion between the gentleman and the Attorney-General of the United States as well as the Secretary of War.

Mr. SHERLEY. I suggest to the gentleman that the Supreme Court's decision expressly settles that in so many words.

Mr. SULLIVAN of Massachusetts. The gentleman from Kentucky [Mr. SHERLEY] is entirely right. The principles of the Supreme Court's decision authorize the statement which I make, namely, that the United States did have authority to levy duties upon goods coming from foreign countries.

So much for the question of the amount covered by the decision. I do not think that is an important question. If the principle for which we contend here to-day is a just one, it matters not whether one million is to be paid out or one hundred millions.

Mr. JAMES. Mr. Chairman, will the gentleman yield for a question?

Mr. SULLIVAN of Massachusetts. Yes.

Mr. JAMES. I wish the gentleman would inform the House whether or not in his judgment these importers who paid out this tax added that tax or tariff to the price of the article which they sold to the consumer?

Mr. SULLIVAN of Massachusetts. I have no knowledge upon that point, and I think the question is wholly immaterial. I know that it is asserted, upon the other side, that there is no equity in the cause of these importers because they added the amount of the duties to the amount which the consumers would otherwise pay for the articles. In other words, that they had collected the money in the increased prices charged to the consumers. But let me point this out to the gentleman, that they paid this money because they had to, and then, as prudent business men, taking into consideration the possibility of an adverse decision by the Supreme Court, they collected what they could in the market under circumstances of free competition. If they had waited until the Supreme Court had spoken and the Supreme Court had decided against them, they having sold their goods at the low price, would have had no opportunity to recoup.

The only thing that was open to them as business men of common prudence was to fix the price high enough to make them whole in the event of the Supreme Court's decision being against them. And I would like to have some gentleman answer me this question: Assuming for the sake of argument that these men did collect this extra money from consumers, by what right does the United States claim it now? Does the United States Government come into equity with clean hands? If the money collected by these people is regarded as spoils, by what right is the United States entitled to the spoils any more than these claimants?

Mr. JAMES. Will the gentleman yield?

Mr. SULLIVAN of Massachusetts. Yes.

Mr. JAMES. I will say in reply to that, by a right much greater than these monopolies will have to add this tax and make the consumer pay it to them in the sale of the article and then come and ram their hands into the Public Treasury and take it out again.

Mr. SULLIVAN of Massachusetts. The gentleman's argument, if carried out, is this: That if duties are collected unlawfully upon my goods to-morrow at the port of New York, Congress may, by subsequent act, authorize that illegal action and compel me to lose the money which was taken from me without warrant of law. If we follow his logic, then that affects every case in which excessive duties have been collected which have subsequently been declared by a board of appraisers or by the court to have been unlawfully collected and afterwards paid back.

Mr. DE ARMOND. Will the gentleman yield for a question?

Mr. SULLIVAN of Massachusetts. Yes.

Mr. DE ARMOND. Is not the fact about this: That the amount collected was turned into the Philippine treasury and has been paid out and used by the Philippine government, and that the question now is whether these importers, who have already got back, in the increased prices for which they sold, all they paid, shall have in addition these duties, or whether the United States shall be saved harmless from loss, even at the expense of not giving these people double the amount of the duty? [Applause.]

Mr. SULLIVAN of Massachusetts. Oh, I do not wonder that the other side applauds that sentiment, but I do not feel it in my heart to applaud it.

Mr. JAMES. That was also on this side.

Mr. SULLIVAN of Massachusetts. Let me say that the money did not find its way into the Treasury of the United States. It was expended upon the government of the Philippine Islands, but expended under the authority of the United States and under its direction, and the United States was responsible for that expenditure. But that does not relieve the United States of its obligation to pay it back under the decision of the Supreme Court that it was collected unlawfully.

Mr. OLMSTED rose.

Mr. SULLIVAN of Massachusetts. Oh, it seems to me I must be allowed to proceed.

Mr. OLMSTED. Just a single question.

Mr. SULLIVAN of Massachusetts. Not now, if the gentleman will pardon me.

Mr. OLMSTED. I yielded to the gentleman.

Mr. SULLIVAN of Massachusetts. The question in this case is a simple one, and that is, whether the order under which these duties were collected was a valid order, and whether, if it was not a valid order, it can be ratified and legalized by Congress. Now, every decision which has been cited by the gentleman is not to the point at all, because the only point involved in this case is whether Congress has power to ratify an unconstitutional act of the President of the United States. Now, then, an unconstitutional act is a void act, and there never was

power in a citizen or a sovereign to ratify an act which was void in the beginning. The gentleman from Pennsylvania [Mr. DALZELL] in his extremity sought to draw a distinction——

Mr. JAMES rose.

Mr. SULLIVAN of Massachusetts. I must decline to yield. The gentleman from Pennsylvania [Mr. DALZELL] sought to draw a distinction between the power of ratification of a citizen and of a sovereign. I assert there is no distinction between the power of a citizen and of the sovereign to ratify a previous act; that the whole power of ratification goes to the whole length of the previous authority. It is neither more nor less. The citizen can ratify that which might have been authorized before; the sovereign can ratify that which might have been authorized before. The decision which the gentleman mentions—Hamilton *v.* Dillin—was put upon the express ground that the money in that case was paid voluntarily and that the plaintiff therefore had no standing in court. That is entirely different from this case, where the money was paid under duress. Furthermore, in Hamilton *v.* Dillin the court said expressly that the order of President Lincoln imposing the charge of 4 cents a pound on cotton shipped from insurrection territory to a loyal territory was a valid order of the President under his power as Commander in Chief of the Army and Navy, and all that Congress did afterwards was not what it is attempting to do in this case—to ratify an unconstitutional and void act of the President—but to ratify a constitutional and valid act of President Lincoln in that case.

Mr. DALZELL. The gentleman said this money was paid under duress. Is there any basis for that statement?

Mr. SULLIVAN of Massachusetts. It was paid under duress, because——

Mr. DALZELL. Did anybody ever object to the payment? Is there an iota of proof that any man ever paid a dollar under protest? It was paid in the ordinary course of business, just as he paid customs duties before and as he paid customs duties since. It was a voluntary payment.

Mr. SULLIVAN of Massachusetts. I assert that the gentleman is wrong in his conclusion, for whenever the United States Government at any port in the Philippine Islands laid its hand upon property which was entitled to free entry under the existing law and compelled the importer to pay before he could remove that property and put it in the channels of commerce, that was a payment under duress, and not a voluntary payment. [Applause on the Democratic side.] Now, then, there is a power to ratify a voidable act, but there is no power to ratify a void act. To use a homely illustration, a physician may be called in to cure a sick man, but a physician can not bring back to life a dead man. So the Congress may exercise the power of ratification where Congress in the first place could confer power to do the act in question, but Congress can not subsequently ratify that which it had no authority in the first instance to authorize anyone to do, and Congress in this case, although it might have framed a tariff for the collection of those duties, did not attempt to so frame a tariff. It sought to ratify an order of the President under which duties were collected, and the President had no power to frame a tariff, because his only power was the war power, and the Supreme Court has held that a state of war did not exist which justified the exercise of the war power.

I do not believe that this House can be misled by specious and sophistical arguments away from this point, viz, that the Supreme Court has twice decided this question and twice confirmed the title of these claimants to money which the United States unlawfully exacted. The question is whether you shall nullify the decision of the Supreme Court, repudiate the just obligation of the United States to restore to these citizens their property which was taken from them without due process of law and without just compensation. Mr. Chairman, I reserve the balance of my time.

Mr. JAMES. I would like to ask the gentleman a question, if he will yield. Has it not always been Democratic doctrine that the consumer pays the tax, and, if that doctrine be true, how can you assert upon this floor that the importer, who has already collected that tax from the consumer, is entitled again to get it back from the Public Treasury? And is it not true that the consumer, if anyone, is the one entitled to this money back, and not the importer? [Applause.]

Mr. SULLIVAN of Massachusetts. The gentleman has stated what is undoubtedly true and what is Democratic doctrine, that the consumer has paid the tax. We are not denying that if these gentlemen pitched their scale of prices high enough to include the tax that the consumer in this case paid it. But I want to remind the gentleman of this fact, that it has always been Democratic doctrine also to respect the decisions of the courts and to maintain those guaranties for the safety of property which are the bulwarks of our civilization. [Applause.]

And in this case the money which has been collected has been collected without due process of law, and all that is sought here is to defeat the operation of that salutary principle in the fifth amendment to the Constitution of the United States. Now, if the gentleman, in his desire to confer some pretended favor upon these consumers, will defeat the law, let him do so. The action of Congress will not put back into the pocket of any consumer in this case, who has paid an excessive price, one penny which has been exacted from him. But the action of Congress may keep in the pockets of the United States Government the money which the highest court of this land has twice said was taken unlawfully and which under that decision the claimants are entitled to recover.

Mr. JAMES. Have you ever heard of the Democratic party advocating the decision of any court that held that a monopoly which once had placed the price it paid the Government upon the article and had gotten it back from the people, by adding the tariff to price of the article to the consumer, might go, by reason of the action of the court, and get money again which had already been paid into their pockets by the people? If that is Democracy, my friend, Massachusetts Democracy does not square with Kentucky Democracy. [Applause.]

Mr. SULLIVAN of Massachusetts. If Kentucky Democracy will sanction the taking of the property of the citizen without due process of law, I thank God I stand for Massachusetts Democracy and not Kentucky Democracy. [Applause.] Now, then, let me say in further answer to the gentleman's argument, suppose that taxes were unlawfully assessed upon property, and because of that assessment, under an unconstitutional law, the owner of the property advanced the rent to his tenants and collected that rent, and two years later the owner of that property, in bringing a suit, had his right confirmed to recover the taxes which were unlawfully collected.

Having got the taxes back under the mandate of the highest court, would the gentleman from Kentucky then say that it would be the duty of that landlord to hunt around for the tenants who had paid this excess and restore it to them? Is there any virtue in the assertion of a right any longer in the United States? These importers as business men acted as ordinarily prudent business men would. They fixed their prices perhaps high enough to cover the cost and the taxes which had been collected from them. And they had a right to take into consideration the fact that the Supreme Court might decide against them. Now it so happens that the Supreme Court has decided in their favor. Will the gentleman tell me that, having asserted a constitutional right in the courts of his country, after that constitutional right had been vindicated by the highest tribunal of the land, the Congress should then come in and deprive the litigant of the legitimate fruits of his victory?

Mr. JAMES. If the gentleman will permit me, I would like to suggest to him this: That the situation as it is here presented was not presented to the Supreme Court. Suppose this state of case had been presented to the Supreme Court: That the Standard Oil Company had gone to the Supreme Court and said, "We paid a tariff tax in the Philippine Islands, we added the price of that tax to our oil. We went into the humble cabins of those islands and made the users of the oil pay us that tariff tax back by adding it to the price of the oil. Now, we want the Supreme Court to hold that we can go and put our hands into the Public Treasury and get that money back again." Would any court hold that to be good doctrine?

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. SULLIVAN] has expired.

Mr. DALZELL. Mr. Chairman, I have just one anxiety about this matter, and that is that the House shall thoroughly understand the question before us. There is no question before us except that of a threatened tremendous raid on the Federal Treasury; and in my judgment the House will be false in its duty to the taxpayers if it does not put this legislation between these marauders and the public Treasury.

Now, how does this question arise? It is useless to go into a legal discussion. How does this question arise? In this way: During the war with Spain, in 1898, after we became possessed of the Philippine Islands, Mr. McKinley, as President, issued an order the effect of which was to continue business there; to allow to remain in force the customs duties that had been collected up to that time under Spanish law. His action was in the interest of law and order. Subsequently, after the treaty of peace was signed, instead of Congress taking hold of the matter, the President's order was continued. It turned out, as matter of law, that the President had no authority to make that order. But Congress undertook to ratify the order to legalize

the collection of all these customs duties that had been paid into the Philippine treasury.

Mr. TAWNEY. As they had authority to do.

Mr. DALZELL. The Supreme Court of the United States said that the act of Congress was not broad enough to legalize all the customs duties that had been collected. It did not say that Congress could not legalize their collection. On the contrary, the court's decision was, impliedly at least, to the effect that it was in the power of Congress to ratify the President's action, but that Congress had not gone far enough. The proposition now is to ratify, and to do it to-day.

Mr. SULLIVAN of Massachusetts. The gentleman misstates the decision of the Supreme Court.

Mr. DALZELL. The gentleman does not misstate it.

Mr. SULLIVAN of Massachusetts. The question was, Had Congress the power to ratify?

Mr. DALZELL. The Supreme Court of the United States listened to an argument on the question of whether Congress had ratified the assessment and collection of the sums collected as customs duties. Would not the Supreme Court have been a set of imbiciles if they had listened to a discussion on that subject if they intended to hold that Congress did not have the right to ratify? [Applause.]

Why, Mr. Chairman, there is no question of constitutional right or national honor involved in this discussion. No law that we can pass, that Congress can pass, can affect for a single moment the right of any individual citizen, or the right of any citizen of any country on the face of the globe. There is no question of constitutional right. The only question of honor involved is the question of honor in which we are interested—our honor in protecting the Treasury of the United States. [Loud applause.]

What are the equities of these people—these claimants? They have no equities. All they have is iniquity. Why, they paid these customs duties without protest. They paid them in the ordinary course of business. They assumed that they were paying them according to law. They believed they were paying them in accordance with law. They enjoyed the fruits of these customs duties. These customs duties were spent in protecting the lives and the property of the men who paid them. No dollar of them ever went into the Federal Treasury. They went into the treasury of the Philippine Islands; and every man that paid a duty collected that duty off the consumer to whom he sold his goods. [Applause.] He has been repaid now. Oh, the gentleman from Massachusetts smiles. I suppose he assumes that "the gentleman from Pennsylvania" is inconsistent in announcing that doctrine. On the contrary, it is Republican doctrine, that in the case of noncompeting articles the consumer always pays the tax. [Loud applause on the Republican side.] And these were noncompeting articles. My friends, be not deceived. The question, and the only question you are called on to answer in this legislation, is: Will you protect the Treasury against this band of marauders? [Loud applause on the Republican side.]

[Cries of "Vote!"]

Mr. KEIFER. Mr. Chairman, I would not detain this eager committee—eager to vote on this question—but the matter involved is one of grave importance, not only as to the pending claims against the United States, but it is one that ought to be settled, and forever, and so that it may be permanent, as affecting similar claims likely to arise in the future.

Similar claims arose after the Mexican war. Like claims arose in San Francisco, and were decided by our Supreme Court years ago on the principle that we had a right to ratify the acts of the officers who continued to collect import duties after the war, as we had been doing pending the Mexican war. Now, it is not a question here of usurpation of power by the President, as was stated in the opening remarks of the gentleman from Mississippi when he said that after the ratification of the treaty on April 11, 1899, the President of the United States usurped the power to insist upon collecting duties when he no longer had such power. That was not the case. Our officers who were collecting duties in the Philippine Islands commenced doing that under a Presidential order in August, 1898, and this continued under an order of the President up to April 11, 1899, and then still continued until the time came when Congress passed a law and put in operation the machinery necessary to collect duties in the Philippine Islands as provided in a law of Congress applicable to these islands. It is not justified by anything that took place to make the statement that the President of the United States assumed to do these things in violation of law. As was said by both gentlemen from Pennsylvania, it was understood that the duties were being lawfully collected. They were collected under the forms of law, and they were paid by people, importers who volunteered to go there and do business, pay the import duties, and sell their goods. They volunteered to pay, and there was no confiscation of property, as stated by the gentleman from Massachusetts [Mr. SULLIVAN]. They were not obliged to pay their money that went into the treasury of the Philippine Islands. The payments were voluntary; the importers knew when they took in their goods that they would be required to pay duties.

Now, it was said by the gentleman from Massachusetts [Mr. SULLIVAN] that this obligation does not rest on the United States as against foreigners who traded there. As I understood the gentleman from Kentucky [Mr. SHERLEY], he said it was decided in the Barnes case that the foreign importers had no rights against the Government. An examination of that decision will show that there is no distinction as to rights and liabilities among the importers who paid duties; and the Secretary of War is right in saying, as he does in a communication before me, that the claims presented by people trading from the United States and by these foreigners stand on an equal footing, and without this provision becomes a law this country will be liable to pay about $15,000,000 out of its Treasury, although no dollar of it went into it.

Now, I think sufficient has been said upon the legal question involved, and I know the committee is ready to vote, and I will give way. The right to, by law, ratify the collection of these duties is completely settled by numerous Supreme Court decisions, and especially in what is here called the "Barnes case," found in 197 United States, 429. There was no division among the justices of the Supreme Court in that case on the question of the right of Congress to ratify the illegal collection of import duties.

Mr. DE ARMOND. Mr. Chairman, the question before the committee is really, I think, a very simple one. First, is there any authority for this legislation—whether it would be valid or invalid? Without taking time to go into the law questions involved, I think it may fairly be inferred and reasonably understood from the decisions of the Supreme Court in the cases under consideration with reference to this matter that it is within the constitutional power of Congress to make valid acts performed by the Government, through agents of the Government and for the Government, which of themselves without that ratification or Congressional sanction are invalid. If that is not true, the adoption of this provision would work nobody any harm. So the real question is as to the merits.

There were collected of a number of persons import and export duties in the Philippines, the proceeds being devoted to and used by the Philippine government. Of course it goes without saying that every one of those persons who paid a duty added the duty to the price or value of the article which he sold, and so got his tax money back. Then, as an actual matter of fact, not a single one of those persons is out a solitary cent on account of these exactions.

Not a single cent of the money collected went into the Treasury of the United States, and yet if this legislation be defeated there may be taken out of the Treasury of the United States—that is, out of the pockets of the American people—millions of dollars—anywhere from three million to fifteen million dollars. It comes really to be a question of right and wrong, or a balancing of equities, if you may assume that there are equities on both sides, between the claimants, on bare technicalities, and the real, substantial rights of the people of these United States. The actual question before us is, Shall we keep the people's money in the Treasury, or shall we pay it out as an absolute gratuity to those who get it, who have already been reimbursed in the increased prices for their wares for every cent they paid out?

Mr. SULLIVAN of Massachusetts. On that point the former Speaker of this House, John G. Carlisle, has stated, in reference to this argument of inequity, that the charge that they had added the duty to the prices of their goods is unsupported by a shred of testimony.

Mr. DE ARMOND. Very well, Mr. Chairman; it is supported by the great body of common sense and common experience. Then, in addition to the equities, upon the one side of this question is the opinion of the Secretary of War, a profound lawyer, concerned in this matter only on behalf of the Government and the people who are interested in guarding the Public Treasury—only on behalf of the Government and the people who are interested in the Government—and upon the other side is the opinion of a great lawyer, John G. Carlisle, and his associates, who, perhaps, also are great lawyers, in the interest of their clients and themselves. [Applause.]

Mr. PERKINS. Mr. Chairman, will the gentleman from Missouri yield?

Mr. DE ARMOND. Yes.

Mr. PERKINS. I would like to ask the gentleman from

Missouri if it is not necessarily the fact that every one of these claimants when he shipped his goods to the Philippine Islands must have known of the existence of the duty and voluntarily sent his goods to the Philippine Islands instead of selling them elsewhere, knowing that the result of the transaction was that he would have to pay the duty and not be reimbursed?

Mr. DE ARMOND. Of course, Mr. Chairman; and it was but the continuance as to this matter of existing conditions, and there was not a particle of surprise upon anybody, and if there had not been by some sort of authority, well founded or founded in error, if you please, some such imposition of duties and some such collections for the gathering in of revenue, the Government might not have been carried on, and these claimants might as well have had no goods to sell, because there would have been nobody to buy them, and nobody to protect them until they could be sold. [Applause.]

The CHAIRMAN. The question arises on the amendment offered by the gentleman from Massachusetts [Mr. SULLIVAN] to the amendment offered by the gentleman from New York [Mr. LITTAUER]. Without objection, the Clerk will read the amendment offered by the gentleman from New York and then the amendment offered by the gentleman from Massachusetts.

Mr. DALZELL. And I hope the amendment offered by the gentleman from Massachusetts will be voted down.

There was no objection; and the Clerk again read the two amendments.

The CHAIRMAN. The question is first on the amendment to the amendment offered by the gentleman from Massachusetts.

The question was taken; and the amendment to the amendment was lost.

The CHAIRMAN. The question now arises on the amendment offered by the gentleman from New York [Mr. LITTAUER].

The question was taken; and the amendment was agreed to.

Mr. KEIFER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

SEC. 3. That for the purpose of contributing toward the expenses of the national encampment of the United Spanish War Veterans, to be held in the city of Washington, D. C., in October, 1906, to be paid out on the order of the Secretary of the Treasury to the committee of the national encampment of the United Spanish War Veterans of the District of Columbia, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $5,000.

Mr. FITZGERALD. Mr. Chairman, to that I reserve a point of order.

Mr. KEIFER. Mr. Chairman, I desire to say that this is a small sum compared to what has hitherto been appropriated for the purpose of paying a part or all of the expenses of national Grand Army of the Republic encampments held in the city of Washington. About $90,000 was appropriated in one form or another for the first Grand Army encampment, and at the last one there was an appropriation of about $25,000. The United Spanish War Veterans' national encampment is to be held here this year. It was believed by the committee of the United Spanish War Veterans, as some of its members tell me, that there would ordinarily be no difficulty in raising enough money for their purpose, but when the earthquake came and solicitations were made in the city of Washington for the sufferers in San Francisco, it was found that they were unable to collect any considerable amount for the coming encampment. The total amount of expenses that they have incurred is about $10,000. This proposition of mine is to pay only one-half of the expenses. It is a very small sum, as it is expected that the Spanish war veterans from every State in this Union will assemble here in October. I hope the gentleman from New York will withdraw the point of order, as the sum is a very small one compared with like appropriations in the past.

Mr. FITZGERALD. These national encampments are a great financial benefit to the city where they are held. It is customary for the citizens to raise the money to defray certain expenses. Members seem to hesitate to make a point of order against such a provision as this for fear of political retaliation.

Mr. KEIFER. Oh, there is no politics in it.

Mr. FITZGERALD. I do not believe that the vigorous young men members of the Spanish War Veterans are in favor of applying to Congress for any part of the expenses for that purpose, and I insist on the point of order.

Mr. KEIFER. This motion of mine is made on the authority and at the request of the committee in this city that has this matter in charge, and I hope the gentleman from New York [Mr. FITZGERALD] will withdraw the point of order.

The CHAIRMAN. The Chair sustains the point of order.

Mr. LITTAUER. Mr. Chairman, I move that the committee do now rise and report the bill to the House with a favorable recommendation.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CRUMPACKER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the general deficiency bill and had made sundry amendments thereto and instructed him to report the same back to the House with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the vote will be taken on the amendments in gross.

Mr. WALDO. Mr. Speaker, I want to demand a separate vote on the Cherokee Indian appropriation matter, on page 65, line 15.

The SPEAKER. That provision seems to be a part of the bill.

Mr. WALDO. It is a separate provision of the bill, and I want to take a separate vote on the amendment to the bill.

The SPEAKER. But that seems to be a part of the bill. The committee reported back the bill with several amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. WALDO. But there was a motion made to strike out that amendment.

The SPEAKER. But the motion did not prevail.

Mr. LITTAUER. Mr. Speaker, I move the previous question on the bill and amendments to its final passage.

The SPEAKER. The question is on ordering the previous question on the bill and amendments to its final passage.

The question was taken; and the previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the vote will be taken in gross. [After a pause.] The question is on agreeing to the amendments.

The question was taken; and the amendments were agreed to.

The SPEAKER. Without objection, the bill will be considered as engrossed and read a third time, read the third time, and passed.

Mr. FITZGERALD. But, Mr. Speaker, I desire to make a motion to recommit the bill with instructions.

Mr. LITTAUER. Mr. Speaker, I move to recommit the bill, and on that I demand the previous question.

The SPEAKER. The question is first on the engrossment and third reading of the bill. Although the gentleman was a little late, still it was equivalent to an objection; so that as the Chair put it, that without objection the bill would be considered as engrossed and read a third time and passed, the gentleman coming as he did a little late no doubt intended to object, and therefore the Chair will treat it as an objection.

Mr. FITZGERALD. The only thing to which I objected was the last portion of it. There was no objection to the first two provisions, and then I asked to be recognized before the last motion is agreed to.

The SPEAKER. It was submitted in its entirety, and an objection voids the whole request. The question is on the engrossment and third reading of the bill.

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

The SPEAKER. The question now is on the passage of the bill.

Mr. LITTAUER. Mr. Speaker, I move to recommit, and on that motion I demand the previous question.

Mr. FITZGERALD. Mr. Speaker, I move to recommit with instructions.

The SPEAKER. The gentleman from New York, Mr. LITTAUER, moves to recommit, and the Chair will state to the gentleman from New York, Mr. FITZGERALD, in fairness to him, that while the gentleman did apply for recognition prior to the third reading, and has again applied at this time to move to recommit, yet under the usual parliamentary procedure the friends of the bill are entitled to recognition over those who would attack it.

Mr. FITZGERALD. Mr. Speaker, if the Chair will indulge me, I do not dispute that that is the practice, but since the gentleman from New York [Mr. LITTAUER] did not ask to be recognized until the suggestion was made to him, and I had made my request previous to that suggestion, I submit in fairness I should be recognized at this time.

The SPEAKER. The Chair will state to the gentleman that that was in the shape of a notice to the Chair that the gentleman desired to be recognized; but after that, the Chair still keeping notice and quite well understanding that the gentleman did desire to be recognized, a motion was put and carried for a third reading of an engrossed bill. The bill was read a third time, and then for the first time the motion to recommit was in

order and the gentleman did not obtain any rights until he had been recognized.

Mr. FITZGERALD. But the Speaker turned his head away. [Laughter.]

The SPEAKER. Therefore the Chair, pursuing the usual parliamentary usage, recognized the gentleman's colleague on the committee to move to recommit the bill, upon which motion he demands the previous question. The question is on ordering the previous question on the motion to recommit.

The question was taken; and on a division (demanded by Mr. FITZGERALD) there were—ayes 140, noes 56.

So the previous question was ordered.

The SPEAKER. The question now is on the motion to recommit.

The question was taken; and the motion to recommit was rejected.

The SPEAKER. The question now is on the passage of the bill.

The question was taken; and the bill was passed.

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

ENROLLED BILLS SIGNED.

Mr. WACHTER, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and joint resolutions of the following titles; when the Speaker signed the same:

H. R. 8215. An act granting an increase of pension to Ira Palmer;

H. R. 7254. An act granting an increase of pension to Isum Gwin;

H. R. 10808. An act granting an increase of pension to Michael Kearns;

H. R. 18750. An act making appropriations for the naval service for the fiscal year ending June 30, 1907, and for other purposes;

H. R. 7546. An act granting a pension to Edna Buchanan;

H. R. 7635. An act granting a pension to Delia Gibbs;

H. R. 8660. An act granting a pension to William Mabery;

H. R. 15945. An act granting a pension to Cynthia A. Compton;

H. R. 19670. An act granting a pension to Maria Rogers;

H. R. 15856. An act granting a pension to Gordon A. Thurber;

H. R. 17809. An act granting a pension to William Barrett;

H. R. 18235. An act granting a pension to Ida M. Warner;

H. R. 18324. An act granting a pension to Charles H. Lunger;

H. R. 14798. An act granting a pension to Lucinda Brady;

H. R. 18732. An act granting a pension to James J. Christie;

H. R. 19120. An act granting a pension to Eliza E. Whitley;

H. R. 18725. An act granting a pension to Nancy V. J. Ferrell;

H. R. 18587. An act granting a pension to Catherine Bausman;

H. R. 12531. An act granting a pension to Charles Collins;

H. R. 17102. An act granting a pension to Katherine Studdert;

H. R. 13967. An act granting a pension to Sophie M. Staab;

H. R. 1238. An act granting a pension to Susan R. Stalcup;

H. R. 2212. An act granting a pension to John B. Johnson;

H. R. 6336. An act granting a pension to Elizabeth A. Ames;

H. R. 6893. An act granting a pension to Augusta C. Reichburg;

H. R. 10998. An act granting a pension to Helen G. Powell;

H. R. 12013. An act granting a pension to Emma Fox;

H. R. 8140. An act granting a pension to Lucy A. Thomas;

H. R. 1420. An act granting a pension to John Nay;

H. R. 11030. An act to authorize the counties of Yazoo and Holmes to construct a bridge across Yazoo River, Mississippi;

H. R. 17186. An act granting to the Territory of Oklahoma, for the use and benefit of the University Preparatory School of the Territory of Oklahoma, section 33, in township No. 26, north of range No. 1 west of the Indian meridian, in Kay County, Okla.;

H. R. 20097. An act to authorize the board of supervisors of Coahoma County, Miss., to construct a bridge across Coldwater River;

H. R. 7763. An act granting a pension to James S. King;

H. R. 11780. An act granting an increase of pension to Charles Stair;

H. R. 19522. An act establishing regular terms of the United States circuit and district courts of the northern district of California at Eureka, Cal.

H. R. 18900. An act correcting the military record of E. J. Kolb, alias E. J. Kulb;

H. R. 7226. An act for the relief of Patrick Conlin;

H. R. 19519. An act to extend the privilege of the seventh section of the act approved June 10, 1880, to the subport of Superior, Wis.;

H. R. 1572. An act for the relief of Thomas W. Higgins;

H. R. 15140. An act to remove the charge of desertion from the naval record of John McCauley, alias John H. Hayes;

H. R. 130. An act authorizing the extension of Kalorama road NW.;

H. R. 14975. An act amending chapter 863, volume 31, of the Statutes at Large;

H. R. 17600. An act to grant authority to change the names of certain sailing vessels;

H. R. 18666. An act to provide for the reassessment of benefits in the matter of the extension and widening of Sherman avenue, in the District of Columbia, and for other purposes;

H. R. 15071. An act to provide means for the sale of internal-revenue stamps in the island of Porto Rico;

H. R. 17452. An act to provide for payment of damages on account of changes in grade due to the elimination of grade crossings on the line of the Philadelphia, Baltimore and Washington Railroad Company;

H. R. 14511. An act amendatory of an act entitled "An act to provide for payment of damages on account of changes of grade due to the construction of the Union Station, District of Columbia," approved April 22, 1904;

H. R. 18596. An act to enable the Secretary of War to permit the erection of a lock and dam in aid of navigation in the White River, Arkansas, and for other purposes;

H. R. 675. An act granting an increase of pension to Daniel Morrissey;

H. R. 19100. An act granting an increase of pension to Asa G. Brooks;

H. R. 16575. An act granting an increase of pension to Taylor Bates, alias Baits;

H. R. 19662. An act granting an increase of pension to Joseph Kircher;

H. R. 18713. An act to validate certain certificates of naturalization;

H. R. 1148. An act granting an increase of pension to Marion F. Halbert;

H. R. 18024. An act for the control and regulation of the waters of Niagara River, for the preservation of Niagara Falls, and for other purposes;

H. R. 2014. An act granting an increase of pension to Enoch McCabe;

H. R. 18432. An act granting an increase of pension to David Dirck;

H. R. 16384. An act regulating the speed of automobiles in the District of Columbia, and for other purposes;

H. R. 17133. An act to amend section 558 of the Code of Law for the District of Columbia;

H. R. 20266. An act to amend an act entitled "An act authorizing the condemnation of lands or easements needed in connection with works of river and harbor improvement at the expense of persons, companies, or corporations," approved May 16, 1906;

H. R. 7083. An act to repeal section 5, chapter 1482, act of March 3, 1905;

H. J. Res. 179. Joint resolution providing for the improvement of a certain portion of the Mississippi River; and

H. J. Res. 178. Joint resolution providing for the improvement of the harbor at South Haven, Mich.

PERSONAL REQUEST.

By unanimous consent, Mr. HOGG was granted leave of absence indefinitely on account of sickness.

WITHDRAWAL OF PAPERS.

By unanimous consent, Mr. CURTIS was granted leave to withdraw from the files of the House, without leaving copies, the papers in the case of Cruzen's Christian Chronology, H. R. 11724, Fifty-seventh Congress, no adverse report having been made thereon.

WAKELAND HERESFORD.

The SPEAKER laid before the House the bill (H. R. 4599) to remove the charge of desertion from the military record of Wakeland Heresford, with a Senate amendment.

The Senate amendment was read.

Mr. YOUNG. Mr. Speaker, I move that the amendment be concurred in.

The motion was agreed to.

SETH DAVIS.

The SPEAKER also laid before the House the bill (H. R. 12892) granting an honorable discharge to Seth Davis, with a Senate amendment.

The Senate amendment was read.

Mr. YOUNG. Mr. Speaker, I move that the amendment be concurred in.

The motion was agreed to.

RECESS.

Mr. PAYNE. Mr. Speaker, I move that the House take a recess until 8 o'clock.

Mr. WILLIAMS. Mr. Speaker, if it is in order, about which I have some doubt, which I will leave to the Speaker, I move, as a substitute, that the House take a recess until 8 o'clock, and that from 8 o'clock until the hour of 11 the House shall debate the question of the general administrative bill, and that the time be equally divided between the two parties.

Mr. PAYNE. I make the point of order against the amendment, Mr. Speaker. I will state, however, that the object is for debate upon this bill.

The SPEAKER. It occurs to the Chair the amendment is not in order, except by unanimous consent.

Mr. WILLIAMS. Well, Mr. Speaker, if the gentleman from New York were to retire from the Chamber a minute, I think I could get unanimous consent, but I am a little afraid that with him here I could not.

Mr. PAYNE. I am a little afraid the gentleman, Mr. Speaker, is overconfident about unanimous consent.

Mr. WILLIAMS. Then I will ask unanimous consent.

Mr. PAYNE. Then I will object.

Mr. WILLIAMS. I thought so.

The SPEAKER. The question is on agreeing to the motion of the gentleman from New York.

The question was taken; and the Chair announced the ayes seemed to have it.

Mr. WILLIAMS. Mr. Speaker, I call for a division, so that if this motion is voted down we can then get the other one just in the interest of fair play.

The House divided; and there were—ayes 135, noes 62.

Mr. WILLIAMS. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. WILLIAMS. I want to ask whether in the gentleman's motion he has fixed any time at which the House should adjourn?

Mr. PAYNE. There was no time fixed in the motion.

PURE-FOOD BILL.

Mr. MANN. Mr. Speaker, before the Speaker announces the result may I present a conference report for printing on the bill (S. 88) for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes?

The SPEAKER. The Chair will state that a conference report can interrupt, under the precedents, a motion to adjourn.

Mr. MANN. It is for printing in the RECORD only.

The SPEAKER. Well, without objection, it will be printed in the RECORD.

There was no objection.

The SPEAKER. The ayes have it; and the House is in recess until 8 o'clock.

AFTER RECESS.

The recess having expired, the House was called to order by Mr. GROSVENOR, Speaker pro tempore.

COLLECTION OF THE REVENUE.

Mr. PAYNE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 19750) to amend the act to simplify the collection of the revenue.

The SPEAKER pro tempore. The gentleman from New York moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 19750.

The motion was agreed to; and accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, Mr. CAPRON in the chair.

The CHAIRMAN. The gentleman from Ohio [Mr. GROSVENOR] is recognized for one hour.

Mr. GROSVENOR. Mr. Chairman, I yield two minutes to the gentleman from Wisconsin [Mr. MINOR].

Mr. MINOR. Mr. Chairman, I regret exceedingly that this first session of the Fifty-ninth Congress is approaching the hour of adjournment without having had an opportunity to fairly discuss, consider, and, as I believe it would have done, pass the bill commonly known and designated as the "merchant-marine shipping bill."

In my judgment no more important or far-reaching question confronts the American people at this time than that of rehabilitating our merchant marine engaged in the foreign or over-sea trade. Each year we witness the passing away of the American ship. Each year witnesses the rapid disappearance of the American flag floating from the masthead of the American ship, built in American yards by American workmen, ladened with American products that seek the markets of foreign lands. Three thousand millions of dollars measures the value of the exports and imports of this magnificent and blessed country of ours. The balance of trade under this Republican Administration has surpassed all limits ever conceived by man. We produce more than any people in the world, and carry less across the sea to foreign lands than any nation in the world that pretends to anything above a fifth-class power, either in peace or war. We pay to foreign shipowners each day of every year not less than $500,000 in gold, or its equivalent, for the transportation of people and products to and from our shores. Out of the more than forty millions of tons of freight brought in and taken out of our ports only about 10 per cent in freightage is paid to American bottoms. Ninety per cent is carried by foreign ships whose owners have no interest in our people or our Government beyond the collection of the freight on the products exported and imported. From a commercial standpoint we are helpless when it comes to the regulation of freight rates, because the 90 per cent will surely control the 10 per cent. From a military point of view we are in a still more deplorable condition. We may, and we are, building up a navy that is the pride of the nation. Our battle ships and armored cruisers are the peers of any that float on the bosom of the oceans and seas of the earth. The officers and men of our Navy have no superiors—and we may be pardoned for believing they have no equals, man for man—but we haven't enough of them to man our fleets, and never can have till we have more American ships for American commerce, for it is there we must look for help in time of war.

Our Navy is now costing us more than one hundred millions of dollars each year, and very soon, if we continue our present naval policy, we will be compelled to take from the Treasury of the United States fifty millions additional; but be it one hundred or two hundred millions each year for naval ships and their maintenance in time of peace, what will be their value in time of war unless we have men to man them? And unless we have a merchant marine where are we to look for seamen to man our Navy in time of need? The man behind the gun sank the Spanish fleets, and the man that sights and fires the guns will win the battles of the future; but you can not take him out of the cornfield and off the plains to-day and expect him to win the nation's battles to-morrow. The Blue Jackets, that should be and are the pride of our people because they in the last analysis win our victories, must have sea training—sea legs, if you please—and these qualifications do not come from running a cultivator in a cornfield or riding a cow pony on the plains of the boundless West, but they do come from sea service on our merchant marine.

Every patriotic American citizen may be proud of our achievement. Our people are progressive, enterprising, and filled with a genius unsurpassed by any people inhabiting the globe. We have outstripped all the nations of the earth by our productive power. We produce more and consume more than any people in the world; but this is only one side of the picture. We look upon this with pride and satisfaction. What of the other side? We see ourselves wholly at the mercy of the grasping nations of the earth, carrying to foreign lands our products at rates fixed by themselves, having no interest in our welfare beyond our ability to pay the freightage they have decreed that our products shall pay. [Great applause.]

Mr. Chairman, my time is limited, therefore I can not discuss this question as I had hoped to on the floor of the House, but I shall ask unanimous consent to extend my remarks in the RECORD, and in doing this I shall treat the question from the standpoint of the agricultural interests of the Middle West.

Mr. Chairman, "What is Nebraska going to get out of this legislation?" good-humoredly asked a western Representative at a recent hearing on the shipping bill of the Merchant Marine Commission before the Committee on the Merchant Marine and Fisheries of the National House.

This is an entirely pertinent and valid question. What is the great West going to get out of this measure if enacted into law? What are the farmers of the country to receive in the way of benefit from an expenditure beginning at one or two millions and rising gradually at ten years to perhaps five or six million dollars a year?

It is a question which must be met by some straightforward, satisfying answer. What advantage will come to the farmers, especially to the farmers of the Mississippi Valley, of the grain and cotton States, from national aid for the upbuilding of the American merchant marine in foreign commerce?

The reply is that 55 per cent in value and far more than that in bulk of our entire export commerce during the fiscal year

1905 consisted of various products of agriculture. This means that the average American farmer, especially the western farmer, has more at stake in the prosperity of our sea-borne commerce than the producers of any other trade in the United States, and to the prosperity of this commerce adequate transportation facilities and fair freight rates are indispensable.

WHAT M'KINLEY AND ROOSEVELT SAID.

"Next in advantage to having the thing to sell," declared President William McKinley in that last memorable speech of September 5, 1901, at Buffalo, "is to have the convenience to carry it to the buyer." And with the farms of the country especially in mind, William McKinley added:

We must encourage our merchant marine. We must have more ships. They must be under the American flag, built and manned and owned by Americans.

President Theodore Roosevelt, taking these thoughts, as it were, from the lips of his great predecessor, declared a few months later, in his first message to Congress, December 3, 1901:

The condition of the American merchant marine is such as to call for immediate remedial action by the Congress. It is discreditable to us as a nation that our merchant marine should be utterly insignificant in comparison to that of other nations which we overtop in other forms of business. We should not longer submit to conditions under which only a trifling portion of our great commerce is carried in our own ships. To remedy this state of things would not merely serve to build up our shipping interests, but it would also result in benefit to all who are interested in the permanent establishment of a wider market for American products and would provide an auxiliary force for the Navy.

WHAT THE SHIPPING BILL DOES.

This shipping bill of the Merchant Marine Commission, prepared by a special commission which President Roosevelt recommended, embodies an honest effort to fulfill this patriotic counsel of two great and wise Executives. It is a bill, not for fast and luxurious passenger ships carrying pleasure tourists to Europe—not one dollar is provided for a new line of this description—but for capacious, moderate-speed mail and cargo liners to South America, Africa, the Orient, and other distant markets, and for the useful, hard-working "delivery-wagon" type of ships, called "tramps," particularly adapted for the export of such things as lumber, grain, flour, cotton, cattle, and provisions.

No bill of just this kind, with all the emphasis laid on cargo-carrying ships, has ever been before the American Congress. It is a radical departure, and a departure deliberately chosen by the Commission which framed the bill. It determined at the outset that no effort should be made to rival European governments in the gorgeous floating palaces of the rich, but that every dollar of the proposed subventions should be directed to providing improved shipping facilities, a more regular service, and more equitable rates for the products of American farms and factories that every year seek an ever-widening outlet in the neutral markets over seas.

Europe is a great shipowning continent. It is also a great manufacturing continent. It requires immense quantities of our food stuffs and crude materials, and, having the ships, it sends them to our ports for this needful merchandise. Therefore there are already better shipping facilities in the European trade than any other, and though it is a perilous and costly expedient for the United States to rely even in this European trade entirely on the marine delivery wagons of European nations, yet the need of more American ships does not begin to be so urgent as it is and long has been in our half-developed commerce with the other continents.

FOLLOWING ALLISON'S COUNSEL.

Therefore the Merchant Marine Commission, in framing the present shipping bill, followed the wise suggestions of the distinguished senior Senator from Iowa. In an address October 3, 1903, at Clinton, Mr. ALLISON, speaking of this very question of our commercial expansion, had said:

Our efforts should be turned to these countries lying near us as well as to South America and Asia. The latter field is likely to be of inestimable value in the near future, stimulated as it has been by the presence of our flag in those distant seas, where three-fifths of the population of the globe is to be supplied in the future with the products of the more civilized nations.

In this struggle we will have the active and close competition of Europe. We have advantage in distance, and will soon have, if we have not now, the advantage of facilities. American ships must float there, and the American flag must be seen there and dwell there, and our Government can well afford to provide especial aid to our merchant marine to extend our trade there, and in south Africa and South America as well.

ALL NEW COMMERCIAL LINES.

Every one of the important new mail lines proposed in this bill runs to the ports of either Asia, South Africa, or South America. This fact is of very great significance to the farmers of the United States. For, as has been said, our steamship service to Europe, though now monopolized almost entirely by foreign flags, is relatively the most satisfactory, or, it would be more precise to say, the least unsatisfactory service in existence. Not one American steamship runs regularly to any port of South America south of Venezuela and the Isthmus of Panama. Not one American steamship runs to Africa. There are a few American steamships, but no such complete and regular service as this bill contemplates, running across the Pacific to Japan, China, and the Philippines.

The foreign steamships which go out in haphazard fashion from New York and other American ports to South America are, as a rule, poor, uneconomical, unreliable craft, of the second or third class, operated by foreign houses which keep their best ships at home and give their chief attention to their main lines from their home ports to South America. Not content with their absolute monopoly of our South American commerce, these foreign concerns running to Brazil, Argentina, and elsewhere maintain a "combine" or trust for their further enrichment from the pockets of American manufacturers, farmers, and merchants.

As President Roosevelt said in December, 1905, in his annual message to Congress:

It can not but be a source of regret and uneasiness to us that the lines of communication with our sister republics of South America should be chiefly under foreign control.

FOREIGN STEAMSHIP MONOPOLISTS.

These foreign steamship combinations which throttle our South American trade and prevent any increase in our sales of flour and provisions to those tropical countries raising no such foodstuffs of their own, have been fully described in the official reports of our ministers and consuls to their Government. The methods of these foreign "combines" are the familiar methods of monopoly everywhere—and American farmers are their especial victims.

Brazil is the greatest country of South America. It has an area north and south of the equator equal to the whole area of the United States. Of course, no wheat can be grown in that tropical climate, and very little of the cereals that require temperate conditions. The same thing is true of live stock of many kinds. Brazil, therefore, is compelled to import huge quantities of flour, lard, bacon, and other agricultural products, and in the years when there were American ships on the ocean it used to import these products chiefly from the United States.

Now, however, that our unprotected shipping has been almost driven from the seas, our farmers have been losing the Brazilian market. In 1895 Brazil imported from this country goods to the value of $15,135,000. But in 1905 Brazil imported from this country goods to the value of only $10,985,000. This decrease in our export trade to Brazil—due directly to the lack of American ships and to the unjust discriminations of foreign shipowners—occurred chiefly in the products of agriculture, and the loss fell almost altogether on the farmers of the Northwest and the Mississippi Valley—on the very men who are assured by European steamship agents that the farmers of this country are not interested in the upbuilding of the American merchant marine.

CUTTING OFF THE BRAZIL FLOUR TRADE.

Thus our farmers sold $2,683,000 worth of wheat flour to Brazil in 1895, and only $1,225,000 worth in 1905. The Brazilian people need as much flour as they ever did. They consume as much and they pay as much money for it. But they are buying most of their flour now from Argentina and Austria-Hungary and other countries than the United States; and the chief reason why they are buying it from these other countries is that these countries have ships of their own to deliver their goods, while American farmers are dependent for their transportation facilities and freight rates upon the tender mercies of European steamship trusts and combinations.

Austria-Hungary subsidizes ships. It subsidizes a line of its own to South America. Having the advantage of this subsidy, the Austrian steamers can carry goods at a low rate, and they give the goods of their own country the preference. The result is that, though flour in Austria-Hungary costs more per barrel than flour in the United States, yet because of the lower freight rates the Austrian flour can be laid down at Rio Janeiro at a price as low or lower than American flour exported in the ships of the European steamship monopoly from New York.

If there were an American steamship line, managed in American interests and aided by our Government, running between this country and Brazil, this discrimination of the foreign shipowning monopoly against American farmers and other producers would not be possible.

HOW ONE AMERICAN LINE WAS KILLED.

Years ago there was an American line to Brazil, established without a subsidy by American merchants who attempted to break foreign monopoly of our ocean carrying. While these

American ships ran our exports to Brazil were about $15,000,000 a year and increasing. But the foreign steamship companies, including those running out from Europe that were heavily subsidized, all combined to make war on the one American line, and, being older, richer, and more powerful, they drove it to the verge of bankruptcy.

Then these American steamship managers appealed to Congress for a mail subsidy, or subvention, that would protect them against the foregin "combine" and enable them to continue to run and to build up the commerce of the American people. Such a subvention was favored by most of the Republican Representatives, and would have been granted had not enough Republicans from the Middle West joined with the free traders of the solid South to defeat the appropriation.

The American line to Brazil could not fight unaided and alone the European steamship combination supported by the treasuries of European Governments. Therefore its new ships—the best ships that had been seen in South American waters—were withdrawn and sold. The service was abandoned; the Stars and Stripes went down in defeat. The foreign steamship "combine" was triumphant. Of course it immediately proceeded to raise its freight rates so high that American merchants soon found that it was often cheaper to send their flour to Europe in one foreign ship and then out to South America in another foreign ship—thus paying two freights to foreign shipowners—than it was to send the flour out direct from New York to Rio Janeiro.

A Rio commission house made a profit by shipping flour from New York to Europe and thence to Rio, although the increased difference of tarvel was over 3,000 miles. (Consul-General Seeger.)

DESTRUCTIVE "ECONOMY."

The United States Congress had refused a mail subvention of $200,000 a year. But it had destroyed the one American steamship line to South America, and had thrown away an export commerce of $4,000,000 a year—for, instead of increasing, our exports to Brazil now fell off from $15,000,000 to $11,000,000. Was there ever a more vivid example of saving at the spigot and wasting at the bung?

This loss of American commerce with Brazil, as has been shown, was chiefly in the products of the agriculture of the Middle West and Northwest. It came directly out of the pockets of the farmer constituents of the western Representatives who had voted with the solid South to refuse to aid the American steamship line in its fierce fight with the subsidized foreign monopoly.

Once in complete possession of our Brazil trade, the European steamship companies proceeded to adopt all the familiar extortionate methods of trusts and combinations the world over. As Consul-General Seeger at Rio Janeiro reported to his Government in Washington:

Since March 15 the freight rates established by the European steamship trust, controlling the transportation between Brazil and the United States, are 40 cents and 5 per cent primage per bag of 160 kilograms (132 pounds) between Rio and New York. Since last August the freights have been raised and lowered and raised again to suit the purpose of the trust till they have reached their present level. * * * The trust has an agreement with coffee shippers here to pay them a rebate of 5 per cent at the end of every six months from the date of the agreement on all freights collected; provided, however, that this rebate is forfeited in case the shippers give freight to any vessel not belonging to the trust during the period stipulated. Through this arrangement the trust controls the shippers and American vessels go home in ballast.

Having thus, by the merciless use of rebates, excluded American vessels from all chance of securing return cargoes from Brazil to the United States, the European steamship trust prevented American ships from competing with the foreign trust ships for outward cargoes of flour, provisions, machinery, and other things from American ports to Rio Janeiro. The Stars and Stripes have, therefore, practically disappeared from our commerce with the greatest country of South America.

AT THE MERCY OF A FOREIGN "COMBINE."

Says an American merchant, writing in American Trade:

Our commerce with Brazil and the river Plata countries is at the mercy of such a shipping combine. Ostensibly four lines are competing in "serving" the route between New York and Pernambuco southward, viz, the Lamport & Holt Line, Prince Line, Norton Line, all British, and the R. M. Sloman Line, which is German. In reality, however, the management of these services is centralized in Liverpool, the freights are pooled, and the spoils divided pro rata.

At the head of this syndicate stands Lamport & Holt, of Liverpool, a powerful firm owning and managing over a hundred vessels. The ships engaged in the New York-South American service are mostly slow and obsolete, steaming 8 to 10 knots an hour, and yet the rates of freight levied on American cargo are nearly double those charged by the speedy, modern, elegant ships plying between Europe and the east coast of South America. Not a case of kerosene or a bag of coffee can escape paying toll to this freight ring, and there was more truth than comedy in the facetious request sent by a Rio shipper to the syndicate's agents at that port asking for a permit to ship some coffee on an outside vessel over their ocean.

CHOKING AMERICAN TRADE.

With freight rates by the foreign trust ships "nearly double" the rates on the lines running out from Europe, need the farmers of the West wonder that they are losing their valuable Brazilian market—that their sales of American flour fell from 526,000 barrels in 1902 to 337,000 barrels in 1905? Our American flour is very much superior to the Argentine flour. It is preferred by Brazilian consumers. But because a European steamship monopoly has our Brazilian commerce by the throat, the Brazilian Review remarks that—

Argentine flour has entirely monopolized the south, Rio, and Santos, has driven the American article from Bahia and Victoria, and is already competing vigorously in the markets of Pernambuco.

The remedy for all this, declares the American merchant writing in American Trade, is "an independent American line of steamships." Against the rich, unscrupulous, and formidable European combination, such an American line would need national aid by subvention or subsidy at first. "There is no doubt that the early stages of the existence of an American steamship line to Brazil would be stormy, but faster service, better and more economical ships, together with fairer business methods must win in the end, enfranchise American commerce from this foreign despotism, and secure for our own glory and enjoyment the trophy of American trade on American ships."

ON THE WEST COAST ALSO.

But Brazil is not the only South American country where American farmers, manufacturers, and other producers are being robbed of their fair share of trade by the hostility and greed of the foreign shipowners, on whom we depend to do our ocean carrying. Special Agent Lincoln Hutchinson, after long observation throughout South America, reports to the Department of Commerce and Labor:

As in Brazil, so in Chile and the river La Plata, there is universal complaint that the mail service to and from the United States is inadequate. If the trouble were only in the length of time required for the delivery of mails the inconvenience would be sufficiently great, but far more serious is the irregularity, infrequency, and uncertainty of the service.

On the important question of cargo steamship service, Mr. Hutchinson further says:

Freighting facilities from New York to Chile and the river Plata are inferior to those from Europe, both as regards frequency, regularity, and time required for delivery, and as to rates.

As to Ecuador, on the west coast of South America, this emphatic testimony to the injury done to American commerce by the lack of American ships is given by Hon. Archibald J. Simpson, the American minister:

I was informed recently by a prominent merchant here that he would like to deal with New York, but that the freight rates from that city on some of his purchases were fivefold greater when received at Guayaquil than on like freight from Hamburg, which was a practical prohibition on American trade.

Germany has direct steamship lines of her own to both coasts of South America.

NULLIFYING THE MONROE DOCTRINE.

The Monroe doctrine holds that the influence of the United States is, and by right ought to be, paramount in South America; that we shall never permit European aggression on or spoliation of the Latin-American Republics. But while we are proclaiming this doctrine, Europe is adroitly and persistently enforcing a Monroe doctrine of her own. She is proceeding to the commercial annexation of South America. Not only has our export trade to Brazil been actually decreasing, but of the great and flourishing commerce of Argentina, amounting now to between $300,000,000 and $400,000,000 annually, the share of the United States in export trade is only about 14 per cent. Not only is Great Britain far ahead of us, but Germany is ahead. France and Italy are surpassing us in enterprise, and since the close of the war with Russia even Japan, with a direct, subsidized steamship line, has entered the field as a competitor.

THE SOUTH AFRICAN "COMBINE."

And South America is not the only continent where foreign steamship combinations are permitted to suppress American trade in the interest of the farmers and manufacturers of Europe. There was a time when the United States exported large quantities of flour, provisions, lumber, and other agricultural products to South Africa. A few years ago our South African exports reached the handsome figure of $30,000,000. But of late years there has been a significant decline in our exports, while the exports of Canada to South Africa have increased enormously since the establishment of a subsidized British steamship service from Montreal and Halifax to Cape Town and Natal.

One cause of this increase of Canadian and decrease of

American exports to South Africa is thus described in the Daily Consular and Trade Reports of April 14, 1906:

FREIGHT RATES INCREASED—COMPLAINTS OF SHIPPERS ARE OF NO AVAIL.

Consul Hollis, of Laurenço Marquez, writes that it is a well-known fact to all engaged in South African trade that the freight rates between New York and South and East Africa have been steadily raised during the past few months, until they now stand at figures about 75 per cent higher than those of six months ago.

The consul continues:

This increase in rates has been brought about by the independent lines (I might almost say line, for there was really only one *independent line) joining* the "conference," which fixes the freight rates between England and South Africa and between New York and South Africa as well.

* * * * * * *

"With regard to the rebate system, it appears that under the laws of England, as well as those of the South African colonies, the steamship companies have a perfect right to grant or to withhold rebates as they see fit. Payments of rebates are always deferred for many months, and the unfortunate shipper who may happen to ship by any vessel outside of the 'conference' lines can thus be deprived of all of his deferred rebates and with no chance of being able to recover them even by suit at law."

BRITISH SHIPS FAVORING CANADA.

Of course these British steamship trust magnates have arranged their freight rates and their elaborate rebate systems so as to discriminate against American farmers and lumbermen in our commerce with South Africa. American Consul-General Washington at Cape Town thus reports to Washington:

A trade report received here from New York, dated August 1, 1905, quoted the rates for the next direct steamer from that port to Cape Town as not exceeding $6.70 per ton, to East London and Durban $7.91, and the September sailing (by subsidized steamer) from Montreal at $4.26 for Cape Town and Port Elizabeth and $4.87 to East London and Durban.

What this means is that the freight rates on flour, lumber, provisions, etc., from the American port of New York are fixed by the British steamship combination at from $2 to $3 a ton above the rates on similar products shipped from Canadian ports to South Africa. Doubtless the agents and attorneys of this British steamship combination are spending a great deal of time and money to persuade the farmers of Michigan, Ohio, Indiana, Illinois, Wisconsin, Iowa, Nebraska, the Dakotas, and Minnesota that they have no interest whatever in the upbuilding of American shipping, and that the bill which President Roosevelt is urging is simply a scheme to enrich the shipbuilders of New England, New York, and Pennsylvania.

AN EAST INDIA TRUST ALSO.

But the arrogance and greed of these foreign steamship monopolists do not stop even with South Africa. Another trust is smothering our commerce with the Far East. An American merchant familiar with the facts has written thus to the Merchant Marine Commission:

There is a combination under the name of the "conference lines," which runs from New York to Manila, Hongkong, Yokohama, and Kobe, all English and foreign-owned steamers. The New York representatives of the conference lines are Barber & Co.; Funch, Edye & Co.; the American-Asiatic Steamship Company, and Howard, Houlder & Rowat. These lines work together; their sailings do not conflict, and they absolutely control rates. If you telephone to Funch, Edye & Co. for a rate to Manila, and they do not have the first steamer sailing, they will refer you to one of the conference lines steamers. If a large block of tonnage is to be shipped, and they fear competition from others, they have to cable to the head of the conference lines, in England, for a special rate. You can readily see that we need assistance to American steamers to break up this combination.

And the statement of this American merchant is thus confirmed in the Daily Consular and Trade Reports of March 14, 1906, by American Consul-General Wilber at Singapore:

In regard to the matter of advance in freight rates, there is in existence a shipping conference, composed of lines running out of New York to far eastern ports. This conference is a combination, or pool, and is composed in part of the Barber Line, East Asiatic, and some of the Standard Oil steamships, all of which are under the English flag. In this pool also is the Hamburg-American Line. A rebate of 10 per cent is paid to all shippers at the end of each year, providing said Shippers have patronized no vessels outside of the conference. If they have done so, they lose this rebate. Consequently the combination controls the freight both ways between Atlantic coast ports and the Far East.

This is a move on the part of the European conference to aid English and German dealers in East Indian products to regain control of the business, which they have been gradually losing. What is needed throughout this section of the world is an American line of steamers under the American flag, running from New York through the Suez Canal to the far eastern ports regularly every two weeks, and entirely independent of any conference or combination.

MOST AUDACIOUS OF MONOPOLIES.

A contest for the regulation of railroad rates and the prevention of rebates and other forms of discrimination has just been carried to a successful issue in the Congress of the United States. In this fight the West has been the leader, and the influence of the farmers has been powerful.

But far more audacious monopoly, more oppressive rebates, more outrageous discriminations than were ever dreamed of on land are being practiced right along by unprincipled foreign steamship combinations against the ocean commerce of the American people. Those foreign steamship monopolists, who have waxed fat and insolent on the tribute long wrung from the export trade of American farmers, manufacturers, and merchants, now actually have the effrontery to tell our western farmers that this foreign monopoly is a good thing for them—that it is a good thing to have the delivery of our products overseas absolutely controlled by our political rivals and commercial competitors!

THE WARNING OF OUR PRESIDENTS.

The soundest and best American statesmanship has for years been combating this delusion. Said President Benjamin Harrison, of Indiana:

Our great competitors have established and maintained their lines by government subsidies until they have now practically excluded us from participation. In my opinion, no choice is left to us but to pursue, moderately at least, the same lines.

Said President William McKinley, of Ohio:

If the United States would give the same encouragement to her merchant marine and her steamship lines as is given by other nations to their ships, this commerce on the seas under the American flag would increase and multiply. When the United States will spend from her Treasury from $5,000,000 to $6,000,000 a year for that purpose, as do France and Great Britain to maintain their steamship lines, our ships will plow every sea in successful competition with the ships of the world.

Says President Theodore Roosevelt, of New York:

Ships work for their own countries just as railroads work for their terminal points. Shipping lines, if established to the principal countries with which we have dealings, would be of political as well as commercial benefit. From every standpoint it is unwise for the United States to continue to rely upon the ships of competing nations for the distribution of our goods. It should be made advantageous to carry American goods in American-built ships.

AMERICAN SHIPS UNDER AMERICAN LAW.

"Ah," but it may be urged by the opposition, "if we had American-built ships, could they not also, as well as the foreigners, form combination 'in restraint of trade?'" They could, undoubtedly, or they could try it. But they would certainly be less disposed to try, because they would be American companies naturally and primarily interested in the expansion of American trade, while these foreign steamship companies, whose shares are owned by the manufacturers, farmers, and merchants of the Old World, are interested primarily in the expansion of the trade and industry of Europe.

Moreover, American steamship companies, organized here, domiciled here, officered by American citizens, can be held directly answerable to American law, which apparently finds it impossible to reach and destroy all these foreign steamship trusts, "conferences," and combinations.

The foreign steamship companies that monopolize our trade with South America, South Africa, and the Orient are not domiciled in the United States. They have, at the most, a few agencies here. Their managers are alien born, of alien allegiance. Their policies are shaped, their orders are received, from Liverpool, London, Bremen, Havre, or Hamburg. They snap their fingers at the United States. They scorn American law. They deride our flag and our Government.

The American people ought never to forget the names of the two great German steamship companies which, in the crisis of our war with Spain, deliberately took fast steamers out of their New York service—ships built for and supported by American trade—and transferred them to the Spanish Admiralty to raid the commerce and sink the coastwise ships of the United States.

What these cynical and selfish foreign steamship monopolists have done once they will do again and again if we give them an opportunity.

TRADE FOLLOWS THE FLAG.

There are reasons far more potent than considerations of sentiment why the use of American ships is advantageous to American commerce. And yet mere sentiment—the sight of the flag—is potent in itself, as all travelers and observers, merchants, and officials have repeatedly testified. In South America, in Africa, in the Orient the appearance of a noble, great steamship bearing the Stars and Stripes instantly has the effect, in some real though indefinable way, of increasing interest in and demand for American merchandise.

There are other ways, however, very specific, very practical, in which American ships help directly to upbuild American commerce. A British or a German vessel carrying an American cargo from New York or New Orleans to Rio Janiero or Buenos Ayres is interested merely in arriving safely at its destination; that is all.

The British or German officers and crew care nothing for American trade. Their whole desire naturally is for the spread of British or of German commerce. So, also, with the agents of the ship or the consignees of the cargo ashore. They are the agents and representatives of British or German manufacturers

or merchants, and not only have no interest in increasing the sales of American goods in South America, but have a vital interest in discouraging the sale of all goods that compete with their own and in keeping American trade as small as possible.

HOW COMMERCE GROWS.

When there were American ships in our trade with South America, Africa, and the Orient, there were American agents, American mercantile houses in those distant countries to push the sales of American goods. But when the ships disappeared these American houses also vanished, for it is the unvarying experience of all commercial nations that their first foothold is gained in foreign markets through the agents sent out to look after their shipping business. These agencies develop into regular mercantile establishments handling the goods and advancing the interests of their own manufacturers and farmers and merchants at home. Presently, as their trade increases, they require banking facilities, and a banking institution also devoted to pushing the trade of the home country is started. Thus there is in the foreign port all the equipment necessary to transact a prosperous and expanding commerce.

But you can not have these agencies, you can not have these mercantile establishments, you can not have these banks to promote American export trade to foreign lands unless first you have American shipping. Wherever we have tried to establish banks and agencies, without ships behind them, we have invariably failed. And wherever we have lost our steamship lines we have lost our commercial facilities also.

CAN NOT DEPEND ON FOREIGNERS.

The files of the State Department, of the Department of Commerce and Labor, are crowded with the declarations of American ministers and consuls that it is as shortsighted and as foolish to depend upon foreign houses to promote the sales of American goods as it would be for a merchant in any American city to close his store and discharge his clerks and then to try to sell his goods over the counters of his competitors.

Minister Hicks, writing from Santiago, Chile, of the urgent need of an American steamship service, says:

It seems unfortunate that almost the entire trade of this region should be in the hands of Europeans, and that American products should be largely crowded out by those of Italy, Germany, France, and Great Britain. Chile is a rich and prosperous country, and its consumption of goods manufactured abroad is enormous, yet the trade is almost entirely in the hands of Europeans.

Consul Anderson, at Amoy, bears like testimony, saying that—

A very large portion of American trade in China at the present time is in the hands of foreigners, notably citizens of Great Britain. The natural disposition of such men is to deal in British goods. Most of them commenced business in the East by dealing in British goods exclusively. Their interests, prejudices, and business connections, as a rule, lead them to prefer British goods wherever possible.

Special Agent Burrill, writing from South China in the Daily Consular and Trade Reports of March 18, 1906, says:

With the possible exceptions of flour, kerosene oil, sewing machines, cigarettes and tobacco, and canned goods, there are no American goods imported into Hongkong (the great entry port of the Orient) which are represented by Americans. This condition is a serious handicap in the effort to establish and maintain trade in other commodities exported from the United States.

Consul-General Wilber, at Singapore, one of the chief ports of the East Indies, declares:

We sadly lack, and are in need of, American representatives on the ground to push the sale of our goods. Foreign buyers do not want to sell American goods, and will not unless compelled to. And in some instances they have secured American agencies, that they may control and suppress the sale of the goods.

Mr. J. H. Scholes, an American resident in India, writes to the Secretary of Commerce and Labor:

There is not much use in giving American agencies in India and Burma to English firms, as they make little or no effort to sell the goods against those of their own country. Most of the firms in these countries are Scotch, and they are still less inclined to push American wares. Of course, the German firms would not touch them at all.

GIVE US SHIPS FIRST.

Give us American ships and we shall speedily have American agents, American representatives, eager and able to push American goods in the markets of South America, Africa, and the Orient. American sailors, the sons and brothers of American farmers, will have some interest in the freight they are carrying and some determination to help to advance the commerce and the influence of "God's country." To rely on foreign merchants, foreign ships, and foreign seamen to find markets for the products of American farms and factories is weakness and stupidity unworthy of the American character, an affront to American common sense, and a flat surrender of both letter and spirit of the Declaration of Independence.

Suppose another war came upon us, as quickly and inevitably as the Spanish war of 1898. Would these foreign shipowners who have grown rich out of their monopoly of our ocean carrying send their ships to our aid? Would their foreign seamen fight our battles? That was an illuminating lesson which we had in 1898, when we saw the foreign officers and men of the few European ships we did secure scuttling out of these craft like so many rats, unwilling to serve a flag they did not like in a war in which they had no interest.

Fortunately for the country, that war only lasted a hundred days. If we had met with a single defeat, we could not have manned another squadron, even if we could get the ships, for it exhausted all the trained officers and sailors of the United States to man the four battle ships and the skeleton cruiser fleet of 1898. Now, with more battle ships built and ready, our Navy is short of its legal complement more than 5,000 men, because we have lost most of our merchant marine and with it have lost our natural seafaring population. There are just three nations in the world to-day which are in the pitiable condition of lacking a real sea militia—a naval reserve. One of these is the United States; the others are Russia and China. Do the farmers of America like to think that their nation is in such benighted and archaic company?

FOR PEACE AND WAR.

Never were there truer words than those of President Theodore Roosevelt, in his message to Congress December 5, 1905, urging the consideration of the shipping bill of the Merchant Marine Commission:

To the spread of our trade in peace and the defense of our flag in war a great and prosperous merchant marine is indispensable. We should have ships of our own and seamen of our own to convey our goods to neutral markets and in case of need to reenforce our battle line.

These are very great considerations—considerations vital to the prosperity of our commerce and the security of the nation—why the United States should have a merchant marine which are overlooked by those persons who carelessly say, "If foreigners can do our ocean carrying for us more cheaply than we can do it ourselves, why not let them?"

In the first place, the shipping bill now before Congress provides sufficient national aid in the form of subventions to enable American ships to carry our goods as cheaply as the foreigners in spite of their low wages—indeed, to carry our goods more cheaply in most trades. And in the second place, the argument that, if foreigners can do our shipping business more cheaply than we can they ought to be allowed to do so, is an argument which if accepted as valid ought fairly to be applied not alone to shipowners and to seamen, but to manufacturers, farmers, and everybody else. This was very clearly presented by a distinguished Senator, Hon. J. H. GALLINGER, of New Hampshire, chairman of the Merchant Marine Commission, in a speech of January 8, 1906, on the shipping bill of the Commission, which soon after passed the Senate. Right on this point Senator GALLINGER said:

FREE TRADE RUN MAD.

One of the most frequent and plausible objections urged to a policy of national encouragement to the merchant marine is found in this question, "If foreigners will do this work for us more cheaply than we can do it ourselves, why not let them?" Critically examined, however, it is nothing but the fundamental free-trade argument in the most extreme form in which it is possible to state it. Many years ago this very same plausible argument was familiar in another field—"If England, France, and other countries can make our cotton and woolen fabrics, our tools, and our iron more cheaply than we can, why not let them do so—why not let Europe be the workshop and America the farm?" Of course Europe enthusiastically favored this idea; and Washington, Hamilton, Madison, and other far-seeing statesmen who framed in 1789 our first tariff law "for the encouragement and protection of manufactures" had considerable difficulty in convincing their countrymen of the fallacy of this adroit plea, which foreign interests now exploit in turn against the encouragement of American shipping.

If the argument were admitted as a sound one, that if foreigners will do or make anything for us more cheaply than our own people, they ought to be permitted to do so, then the entire protective system of the United States is rooted in a delusion and ought to be abandoned, root and branch. To admit that this argument is sound is to admit the whole free-trade contention, pure and simple.

APPLY THIS TO THE FARMERS.

This adroit argument of those who are opposed to national aid for American shipping depends for its force very largely on the class of men before whom it is used, or the latitude or longitude in which it is promulgated. To say, "If foreigners can do our ocean carrying more cheaply that we can, why not let them do it?" sounds very persuasive to the farmer of either Massachusetts or Minnesota, who is not himself particularly interested in shipbuilding or ship owning. But put this same argument in another form to the Massachusetts farmer: "If the Canadians can supply eggs and butter and hay and potatoes more cheaply than you can, why not tear down the tariff wall and let them do so?" or to the Minnesota farmer: "If Manitoba can raise wheat for the American market more cheaply than you can, why not repeal the protective duty of 25 cents per bushel and let Manitoba raise our wheat while you sell out and go to work for somebody else?"—the public man who propounded this question in either Massachusetts or Minnesota would find himself a quick candidate for retirement. * * * The American shipowner or seaman is compelled to build and equip his ship in a protected country, to pay protected wages, and to buy protected materials—for, though steel and other things for ships for the deep sea as distinguished from the coast trade are on the free list, nobody dares to avail himself of the privilege so long as there is no encouragement or protection in the deep-sea business. The wages on the ship after she is

built are fixed, generally, by the protected wages prevailing in America. Moreover, many foreign ships in our own commerce receive subsidies or bounties, and nearly all are protected and encouraged, if not in this, in some other more subtle but effective way by their own governments.

In the face of all this, to accept the free-trade argument for the shipowner and seaman alone, and to say to them, "Here, if the foreigners can do your trade of ocean carrying more cheaply than you can, we'll let them do so—you can sell out and go to work for somebody else" is an injustice so harsh that the farmers, East, South, and West, need only to understand it to reject it at once and forever. If, in addition to the natural advantage of the cheap and fertile lands of Manitoba, the Canadian government gave a bounty of 25 cents a bushel on all the wheat there produced, it is easy to foresee what would soon become of the wheat raisers of the Dakotas and Minnesota. Yet, if the argument is a sound one that whatever foreigners can, by subsidy or otherwise, do more cheaply than we can, they ought to be allowed to do it, who will gainsay the shipowner or seaman who declares: "Here I am, unprotected in my ocean trade. Why should the farmer be protected? If Canada can raise cheaper wheat for New York and New England, pull down the tariff and let her do so. What right have you to deny protection to me, and at the same time forbid me to go with my ship for my wheat to British Columbia if I can get it cheaper there, or to Nova Scotia for my potatoes, or to Argentina for my beef, or wool, or hides?"

And what answer is there, truly? Is protection justifiable that protects some only, and not all?

THE HOME MARKET OF THE SHIPYARDS.

Finally, the passage of the shipping bill will benefit the farmers not only in the ways already outlined—not only by providing improved transportation facilities for our agricultural products and increasing their sales in foreign markets—not only by developing a strong naval reserve of auxiliary ships and American seamen to reinforce the regular Navy in time of war—but also in creating a new and great manufacturing industry in America and thereby a new home market for the farmers' meat and dairy products, breadstuffs, and provisions.

Ocean shipbuilding is a manufacturing industry now of small proportions in the United States. There are all told now only three steamers under construction in the entire country for the overseas trade—three ships, of a total tonnage of about 20,000. British shipyards are now building for ocean trade about 1,400,000 tons of shipping, or 70 tons for every ton in hand in American shipyards. Probably three or four hundred thousand tons of this British construction represent ships intended for the carrying trade of the United States—for British vessels now convey about 60 per cent of our entire sea-borne commerce. If instead of a paltry 20,000 tons, three or four hundred thousand tons of ocean shipping were now being constructed in America, thousands of skilled American shipyard mechanics, now idle or working at any kind of unskilled labor for the lowest wages, would be steadily employed in their rightful trades at high wages, and would therefore be able to buy more food and better food for themselves and their families, and to buy and wear better clothing.

A SHIP ALMOST ALL LABOR.

Nor would this be all. Only a part of the work of building a ship is performed in the shipyard on the coast. That work is begun when the ore to make the steel for her plates and beams is dug out of the ground on Lake Superior or the trees for her timbers are felled in the forests of Michigan or Oregon or Mississippi. In every one of the many processes of manufacture from the mine and the forest to the shipyard gate increased employment is given to American workmen of one trade or another, who depend for their food and clothing on the product of American farms. And all the various appliances that enter into the equipment of an ocean ship and are manufactured outside the shipyard—the anchors, chain cables, forgings, wire rope and hempen cordage, windlasses, steam pumps, winches, valves of many kinds, auxiliary engines, engine-room supplies—give work for more American labor, often far in the interior, for many of these things are manufactured in the inland States near the Great Lakes, a thousand miles from the ocean.

All this provides a new and increased home market for American farmers. The workman in the British shipyard receives about one-half of the American wage rate. He can not and does not buy as much food and clothing, and all of the clothing and most of the food a British shipyard workman consumes now come from other countries than America—his bread chiefly from India and Russia and the little meat he manages to purchase from Australia or the Argentina.

ONE AMERICAN WORTH SIX FOREIGNERS.

But every American shipyard workman, you may be very sure, eats none but American bread and meat, and a great deal of it, and wears only American clothing of American cotton and wool. It is the accepted estimate, and a reasonable one, based on these facts, that one workman in an American shipyard is worth as much as a consumer of American farm products as six workmen in a British shipyard. Therefore, considering only the shipyard workmen, the building of three or four hundred thousand tons of ships in America means six times as great a market for the products of American farmers as the building of an equal tonnage in Great Britain. Including the many men employed outside the shipyards in the preparation of American materials and equipment for these American ships, it is safe to say that it is ten times as advantageous to American farmers to have our ocean shipbuilding done in the United States as it is to have it done in Europe.

NOT "SUBSIDIZING THE STEEL TRUST."

And right here it is well to characterize as it deserves the assertion of foreign shipowners, and of others in this country opposed to national aid to the merchant marine, that subventions to American shipping would simply be "subsidizing the steel trust."

This assertion is not true. Every material of every kind required for the construction, equipment, or repair of American vessels for overseas trade is on the tariff free list, and can be imported free of duty if shipbuilders so desire. Under this law all the materials for the construction of a large steel ship have been imported without a cent of duty, and the builders who did this testify that there is no difficulty in the process so far as the tariff law and its administration is concerned.

But the great shipbuilders of the country have testified recently before the House Committee on Merchant Marine and Fisheries that steel materials now cost practically no more in this country than if imported free of duty. And these shipbuilders have said, moreover, that the higher cost of American ships was really due, not at all to the materials, which are a minor factor anyway, but to the fact that American shipyard wages are almost twice as high as British wages—and the shipyard labor represents about two-thirds of the price of the finished ships.

These American shipbuilders have also testified that if they were enabled, by national aid to American steamship lines, to construct many ships, to keep their yards constantly at work, and to secure all the economies of full production, they could eventually build ships at as low a cost as any in the world. And they point for proof of their statement to what has already been done by American steel bridge and locomotive builders, who construct many more bridges and locomotives than Great Britain does, and by standardizing their product and employing their plants to full capacity, have been able to pay high American wages and yet to produce bridges and locomotives of the lowest cost.

"Give us the same protection and encouragement you give other industries," say the shipbuilders and owners to Congress and the people, "and we can promise you the same results." Is this not worth trying, at any rate, in the cautious and moderate way proposed in the bill of the Merchant Marine Commission?

THE SHIPPING BILL IN A NUTSHELL.

This measure is thus summarized in a nutshell: Senate bill 529, framed by the President's Merchant Marine Commission and passed February 14, 1906, by the Senate, provides for—

1. A volunteer naval reserve of 10,000 officers and men of the merchant marine and fisheries, trained in gunnery, etc., subject to the call of the President in war, and receiving retainer bounties, as 33,500 British naval-reserve men do.

2. Subventions at the rate of $5 a gross ton a year to all cargo vessels in the foreign trade of the United States, and to craft of the deep-sea fisheries, and $6.50 a ton to vessels engaged in our Philippine commerce—the Philippine coastwise law being postponed till 1909. But these cargo vessels in order to receive subventions must be held at the disposal of the Government in war, must convey the mails free of charge, be seaworthy and efficient, carry a certain proportion of Americans and naval-reserve men in their crews, and make all ordinary repairs in the United States. Ships lose their subventions if they leave our trade for that of foreign countries, or if, like the Standard Oil craft, they are engaged exclusively as common carriers.

3. Subventions to new mail lines from the Atlantic coast to Brazil, Argentina, and South Africa; from the South Atlantic coast to Cuba; from the Gulf coast to Cuba, Brazil, Mexico, Central America, and the Isthmus of Panama; from the Pacific coast via Hawaii to Japan, China, and the Philippines, and to Mexico, Central America, and the Isthmus of Panama, and from the North Pacific coast direct to Japan, China, and the Philippines, with increased compensation to one existing contract line from the Pacific coast via Hawaii and Samoa to Australasia.

All ships receiving subventions must be already American by register or American built, thus excluding the foreign-built fleet of the Atlantic steamship combination. Not one dollar is given to fast passenger and mail lines to Europe. Ships constructed for foreign commerce to receive these subventions can, under the

Dingley tariff, be built, equipped, and repaired of materials imported free of duty.

The maximum annual cost of the proposed mail subventions will be about $3,000,000; of the other subventions and retainers to the naval reserve, from $1,550,000 in 1907 to $5,750,000 in 1916. If tonnage taxes are increased, as originally proposed, the legislation will cost nothing the first year, but turn $616,000 into the Treasury, and the annual average net cost for ten years, with the building of new ships, will be $4,625,000.

Great Britain next year will pay $6,000,000 or $7,000,000 in shipping subsidies; France, $8,000,000; Italy, $3,000,000, and Japan, about $4,000,000.

Two years ago the Republican national platform, on which Theodore Roosevelt was elected President, declared:

> While every other industry has prospered under the fostering aid of Republican legislation, American shipping engaged in foreign trade, in competition with the low cost of construction, low wages, and heavy subsidies of foreign governments, has not for many years received from the Government of the United States adequate encouragement of any kind. We therefore favor legislation which will encourage and build up the American merchant marine, and we cordially approve the legislation of the last Congress, which created the Merchant Marine Commission to investigate and report upon this subject.

A very great majority of the farmers of the United States read this platform, approved it, and voted for the President and other candidates of the party which thereby solemnly pledged its word to make protection completely triumphant by extending it to American ocean shipping, the one industry exposed to foreign competition not already protected by the Government. American farmers are not less patriotic than other men. They are not less solicitous for the welfare of the entire country. They are not to be frightened from any course they believe to be a just and wise one merely because it may cost something, so long as the object in view is worth the while. The building up of the American merchant marine will benefit every legitimate industry in the Republic, and those mistaken foes of our shipping legislation in this country and its selfish and scheming foes abroad who hope to delude American farmers into opposing a policy which means so much to the prosperity and security of the nation do not know the men whom they endeavor to deceive. [Loud applause.]

Mr. GROSVENOR. Mr. Chairman, I yield two minutes to the gentleman from Massachusetts [Mr. TIRRELL].

Mr. TIRRELL. Mr. Chairman, on Monday, the 26th instant, the Hon. HENRY T. RAINEY again addressed the House, renewing his attack upon the Waltham Watch Company and the other leading watch companies of the country. He made another abortive attempt to prove the existence of a watch trust and that this watch trust was the creature of a protective tariff. He attempted to show that through this alleged trust and tariff the American people were swindled by the importation of American watches at cheaper prices than those obtained in the domestic market. He attempted by such aspersions to at least discredit these companies, reduce their product, and incidentally boom the business of the disaffected dealers, whom he appeared to represent.

The honorable gentleman has had a long time to prepare for this his supreme effort. His lucubrations have extended over weeks since his first address. Rumors of telegrams flying to Europe, letters to jewelers, and extracts from the address to be in western papers have been rife throughout the Capitol. A crushing blow was impending that would shatter the tariff wall around American industries and give the people reduced prices on watches.

Expectancy reached its height when the gentleman rose on Monday night. Surely such Herculean labors must bear fruit. Now the superstructure for which the foundation was laid would be constructed. Facts instead of theories would be adduced; evidence instead of imaginings presented; proof instead of tirade given. It will be observed, however, that many things of great importance in his first presentation were utterly ignored in his second. He made no outcry now against child labor in the watch factories. The Census Bureau disapproved that. He uttered no lamentations over the wages of the employee; the wage of 2¼ to 3 per cent more here than is paid abroad was a conclusive answer. He drops the allegation that the tariff had fostered the watch industry. An increase of 500 per cent in the capital invested from 1870 to 1890 in the watch industry of this country settled that. Why, in Waltham plans are now under way to enlarge that great plant, so that 6,000 operatives instead of 3,500 can find employment.

He glided over our foreign trade, having apparently received new light upon that subject. He was unable to fortify his argument upon the reimportation of American watches at reduced prices, as the Secretary of the Treasury refused him the privilege of determining the question, the Government holding that the watches were not of American manufacture, but foreign goods.

Thus the honorable gentleman was reduced to a few elemental propositions. His colleague, Mr. BOUTELL, in his brilliant speech last evening, demolished most of them, and it would be supererogation to take them up again. I shall allude only to those which time did not permit the gentleman from Illinois [Mr. BOUTELL] to fully consider.

The chief of these was the existence of a watch trust in the United States. A fair definition of such a trust, I think, would be the combination of several companies or a monopoly by one company by which competition is stifled, or the control of a business centered in the combination or company itself. I listened intently to the gentleman, who at the outset announced that he would show by incontrovertible evidence that such a trust existed. I saw him, as it were, like a hawk, circling in the air, with his eye upon his prey, invisible, however, in the distant blue; anon, he would apparently rise to his unseen victim, alas, only to descend and rise again, leaving us in ignorance, but shivering with apprehension. Finally, the following colloquy ensued:

> Mr. TIRRELL rose.
> Mr. RAINEY. I can not yield now.
> Mr. TIRRELL. I would like to ask the gentleman a question.
> Mr. RAINEY. Oh, certainly.
> Mr. TIRRELL. Now, the gentleman has repeated many times that there was a watch trust with which the Waltham Watch Company was connected.
> Mr. RAINEY. Yes; I have.
> Mr. TIRRELL. Will the gentleman state where it is, when it was formed, and all of the particulars?
> Mr. RAINEY. I will. I am going to do that. I am going to give him more particulars that he wants, and more particulars than the president of the Waltham Watch Company wants. I have started in this fight for business. I have got the evidence against that gentleman and the rest of them, and I propose to keep up this fight until these watch-trust presidents, every one of them, land in the penitentiary, or until at least I give a court and jury a chance to send them there.

After this pronunciamento we expected the proof to be forthcoming. Surely no Member of this body would dare to make a charge like that without foundation. He would not trifle with the House to have his veracity doubted. He was bound in honor as a public servant in a position of great responsibility to prove the charge. Without proof it was billingsgate—discreditable and contemptible. Yet in the balance of the speech, except occasional flings at what he calls "this infamous trust," there is no evidence presented. The gentleman rested his case upon documents and letters extended in the RECORD. He said: "I have some data and letters I have collected upon the subject of the American watch trust." I have carefully examined these documents. The gentleman sent letters to 200 of the retail watch dealers of the United States. He received replies from 105. There are at least, according to these letters, 22,000 retail dealers in this country; less than one-half of 1 per cent responded. The gentleman appears to have published every letter that afforded him encouragement. The first letter he quotes is a refusal to answer pro or con. I quote from other letters published:

> The proof you are hunting for will be hard to find.
> I understand from information given me that there is a trust.
> It is generally understood there is a combination.
> There is no positive knowledge of the existence of a trust.
> I can not say, from my own knowledge, that a watch trust or combination exists.
> I can not give the information asked for.
> I know nothing of the facts from my own personal knowledge.
> I have been led to regard the companies as a trust or combination.
> We have no positive proof.
> I understand there is a combination called the "Big 4."
> I can not say there is a watch trust.
> In my honest opinion there does exist a watch trust.
> I feel there is a combination in the watch business.
> I am convinced there is a trust.
> I know nothing but hearsay as to a combination.
> We are confidently persuaded that there is a trust.
> According to reports there is a trust.
> I understand there is an agreement.
> There seems to be strong indications of a combination.
> We do believe there does exist a trust.
> We have understood there was a "Big 4" combine.
> I have believed in the existence of a trust.
> There is a watch trust talked of.
> There is a trust. We get our information from the jobbers. Any jobber can give you full information.
> We have no evidence of a trust, but are quite positive that this is the case.
> I have no tangible proof. I could not take an oath as to this matter. Everything points to a combine.
> I do not know of any so-called "trust."
> Certain phases savor largely of trust methods.

A very few of the letters make a positive assertion that there is a watch trust, but present absolutely no proof, it being merely the assertion of the writer, who usually discloses a grievance. Even the few that thus assert there is a trust differ as to the combination including different companies and the reason which leads to their personal opinion about the matter. Such is the

character of the evidence in these letters by which the gentleman from Illinois seeks to substantiate his charge. In addition, he files documents of great length prepared by W. J. Johnston, president of the W. J. Johnston Company, of Pittsburg, to which I will call attention later on.

Now, the gentleman from Illinois, as a lawyer, should be conversant with the principles that underlie the introduction of evidence. Does he assert that any one of the letters on which he bases his argument that "this infamous trust," of which the Waltham company is a component part, would be admissible in proof of the fact? Pick out if you can one that is not hearsay or personal opinion. The fact that a small retailer in Montana or Oklahoma says there is a trust is valueless, because you or I or anyone can assert with equal vehemence the same, as the gentleman from Illinois in thunderous tones did, picturing watch-trust presidents on their way to the penitentiary. So the whole superstructure falls to the ground. There is the pitiable spectacle presented of the gentleman from Illinois spreading before the country, to bring discredit upon a prosperous industry, allegations of dishonest dealing and illegal traffic without a scintilla of legal evidence to maintain the same.

In addition to the letters to which I have referred, I call attention to the elaborate communication of W. J. Johnston, of Pittsburg, Pa., which appears in the appendix to Mr. RAINEY'S remarks. It may be he bases his charges of a watch trust in part upon what is therein contained. Therefore it is important to unfold the history of this gentleman in his relations to the Waltham Watch Company, that the motive which actuates him may be disclosed and his credibility as a witness determined. He asserts that years ago there was a combination among the leading watch companies of the country. There was indeed an association organized early in the eighties, but disbanded years before the Sherman antitrust law went into effect. One Dueber, a leading spirit in this onslaught, was an officer in that association. He was dropped for alleged dishonorable conduct, and has since by various suits endeavored to establish an illegality in the business methods of the Waltham company. His suits have been dismissed without a hearing on his own allegations as not constituting a cause of action. This is what Johnston refers to when he speaks of a combination of the four leading companies. He mentions certain companies as being blacklisted, but does not give the cause. Doubtless it is similar to his own blacklist, to which I shall advert directly. He mentions his resignation to the Elgin company and his refusal to carry on business with the Waltham company, maintaining it was due to improper conduct on its part. He asserts that the Keystone company repudiated their agreements, which was the cause of the severance of his business dealings with them. That the direct motive of this gentleman may be ascertained and his reliability as a witness gauged, I submit the following. Judge from it whether credence can be placed in his charges. Briefly stated, this is the history:

The Keystone company refused to deal with him because of the untruthful and unjustifiable manner with which their salesmen were treated and the profane and opprobrious epithets applied to the officers of that company. His discontinuance with the Elgin company appears to be voluntary. When his relations had ceased with both these companies he called upon the agents of the Waltham company and informed them of the facts, and said he supposed that would end his dealings with the Waltham company. He was informed that would make no difference. Thereupon he stated he had agreed to act as the wholesale agent of the Dueber-Hampden watches, and asked if that altered the case. The reply was that the Dueber-Hampden had been so involved in litigation with the Waltham company that their relations with that company were strained, and it could hardly be expected that the Waltham company would do business with him provided he should push the sale of their rival's goods and depress their own. Still no change was made. Orders were filled as usual until a short time after, when the following advertisement of the W. J. Johnston Company appeared in the issue of the Jewelers' Circular, July 5, 1905, occupying in bold headlines a page of that journal. Omitting the immaterial matter, it was as follows:

The W. J. Johnston Company, wholesale agents Dueber Watch Case Manufacturing Company and Hampden Watch Company, makers of the Dueber-Hampden watches.

In the construction of these watches there has been attained the highest degree of science, skill, and art as applied to the making of watch movements and watch cases, resulting in that which all must concede to be the leading American watch.

On the opposite page of this journal appears another advertisement of the company:

High-grade watch movements, made by the Illinois Watch Company, Springfield, Ill., and the Hamilton Watch Company, Lancaster, Pa. Are in more general use and are the most highly esteemed for railroad watches.

They are uniformly satisfactory and their excellence is manifested by the confidence they have gained of the critical watch seller and the men who depend upon accuracy of time in their daily life.

Such advertising is entirely legitimate, but it could hardly be expected that the Waltham company, believing their watches to be the best in the market, would continue an agency which ignored their products and extolled a rival's as the best in the world.

Now, at this very time when this occurred this man Johnston was under great personal obligations to the Waltham company. To purchase a homestead he had borrowed a large sum of money of one of the officers of the Waltham company, which was not liquidated for some months after this date, and he had had also the terms and amount of his credit with the Waltham company largely extended.

Personal transactions like these ought as a rule to be eliminated from public discussion. In this instance we refer to it to show the ingratitude and meanness of this man.

Inasmuch, therefore, as no evidence is found of any trust or restraining of trade in contravention of the laws of the land, I am led to believe that the gentleman from Illinois has argued the matter from certain established business methods which the Waltham, the Elgin, and other companies have adopted. Whenever a reason in his correspondence is given that a trust exists it is substantially one of these: Uniformity of prices and charges; the manufacture of exactly similar lines of goods; the selection of certain jobbers for their lists and in some instances the handling of their goods exclusively by selected dealers. If either one or all of these constitutes a trust, then the whole business of the country that amounts to anything is a trust, and the gentleman must put all the presidents of all the companies in the chain gang.

On analysis, however, it will be found, as was the case in his misconception of foreign trade, that a conservative business caution only is observed in the rules and regulations of trade. The principles underlying them, as a rule, are applicable to all lines of business. Merchants do select their customers, do make uniform prices for the same grade and quality, do blacklist some of their customers. Sales are largely made on credit. These sales are determined by the buyer's rating; these ratings are not by any unchangeable standard. First, there is the moral risk, the buyer's reputation, character, honesty, and square dealing. Second, his business ability, as his success in his line has shown. Third, his financial strength, either his own or the guaranty of others. Fourth, promptness in meeting his obligations. Any one of these may determine his credit. The lack of any one of these, especially the first, puts him upon the blacklist. No display of financial strength alone suffices. Every large merchant has a blacklist. Every scrap of information obtainable affecting the basis of credit of his customers is preserved. The list is constantly changing. If the blacklisted watch dealer could pass a disinterested judgment on his own case, he would know the reason therefor. No merchant will discontinue a customer without cause; usually he will go to the limit of prudence before turning the customer down. It is much easier to lose a customer than to secure a new one. The merchant sells to those only who according to his data it would be reasonably safe to do.

Now as to the uniformity of price in grade and quality. The great shoe companies of Massachusetts are an illustration. W. L. Douglas, the largest manufacturer in the United States, sells his products at a uniform price of $3.50 for a pair of shoes. The Regal Company, the Emerson, the Crawford, the Walk Over sell at the same price. Substantially their shoes are of the same grade and quality. A variation in price would sacrifice the trade in either provided for the same grade and quality their price was higher. They must sell at the same price, for a discriminating buyer selects the same article at the lowest price. The Elgin and Waltham companies produce certain watch movements of equal grade and quality, and of course secure the same price therefor. The Hamilton Watch Company a few years ago reduced their price. The other companies making the same grade and quality at once reduced theirs. They had to or lose their business. The gentleman calls the Hamilton an independent company. But independent or regular, all obey an economic business principle.

It is a question, then, of preference in movements and not cost, so for the same reason we buy a Douglas, a Regal, a Crawford, or an Emerson shoe. If, now, it is argued there is a trust because, for example, the number of jobbers is limited, the charge is applicable, following the same illustration, to the great shoe factories of the country. Their sales are confined to their own stores, or to selected dealers. The concentration of business and the facility in handling goods determines their policy. The larger the business the more concentration

is inevitable. The multiplication of jobbers would frequently cut off all profit, making the trade of each too small to handle the goods.

But why, Mr. Chairman, spend further time in stating business truths? The only justification is the utter incapacity of some of our Democratic friends to understand methods of business which it would seem they ought to learn by intuition, because these methods, absolutely honest and necessary, appear to them to be a trust bogey stalking abroad throughout the land.

Years ago I was a representative in the legislature of Massachusetts. At that time Waltham was represented by a Democrat, and had been for several years. Business was depressed. The Waltham Watch Company had had a checkered career. It was a struggle to place its goods, with only partial success. It, apparently, could not meet foreign competition; the country was flooded with Swiss-made watches, manufactured by low-priced labor. The population of the city was small, with no indication of an increase. With the imposition of tariff duties a miraculous change occurred. The company increased its capacity by leaps and bounds. The city doubled and trebled in population. Its employees likewise prospered, and New England homes sprang up on every hand. Its citizenship became among the most intelligent and progressive in the Commonwealth. Each for all and all for each was the motto of their business world. Fair and just treatment, adequate wages, and justice in business dealings made a contented people. Such is the history of this country under the protection afforded by a Republican policy. Twenty-six thousand operatives in our cotton mills in Massachusetts have just had an increase in their wages of 14 per cent and 10,000 in the woolen mills of Lawrence an increase of 10 per cent. These object lessons no sophistry or theory or misrepresentation can successfully combat. They will keep the country with Republican tenets controlling in the years to come, even as Waltham, appreciating the situation, has for years rolled up at each national election an overwhelming majority for the Republican party.

Mr. GROSVENOR. Mr. Chairman, I do not expect to make a new speech. I do not expect to improve upon the able discussion that has been had in this House during this session of Congress. If I may by any possibility suggest some new phases of a very old topic, I should be amply repaid for any effort that I may make. The tariff question in this country is an old one, and it is a political question, and all efforts to take it out of the domain of politics have failed, and always will fail.

George Washington made the first speech that ever was made in the United States, that we have any account of, in favor of a protective tariff. He made it by signing the second bill ever passed by a United States Congress, and which was a protective bill, and so distinctly described in the title. He was followed by his successors in the Presidential office down to and including Madison and subsequently by Mr. Monroe and Jackson. In those days the so-called "Democratic party," or, rather, the party out of which the present Democracy sprung, were all protective-tariff men, and their great leaders were protectionists, and continued so until, by the change of industrial conditions in this country, Mr. Calhoun and others went over to the free-trade idea, and the Democratic party has been permeated by that infection from that day to this. All efforts to extricate the tariff question from party politics have failed. We tried the experiment in 1883 of a tariff commission, and we found at last we were at the same old controversy and political discussion on the questions involved. And so to-day we may say that the Republican party, as such, is a protective-tariff party, and the Democratic party is a free-trade party in spots, a revisionist party in spots, and a party without any idea upon the question in many other spots, and those spots are capable of transformation from one color to another with the rapidity of change that is suggested by the coloring of a certain specimen of the animal kingdom.

I will not attempt on this occasion to go over the arguments in favor of a protective tariff.

I want to start with this proposition. The real question that is coming before the American people this year is not to be a repudiation of the general doctrine of the Republican party and a substitution of the general doctrine of the Democratic party, but it is to be a sort of attack on the outworks of protection in the form of an argument or suggestion in favor of revision of the tariff. My argument, if it is worth anything, will be an argument in opposition to all interference with the tariff at the present time. I am not ashamed of the application of the term "stand-patter" to me. I am exactly that sort of an individual on the subject of the tariff. I shall change only when it can be shown to me that harm to the country comes from the present law, and that a change will benefit the country. Then, in that case, I will agree to such changes as the friends of protection may agree upon.

Now, that does not involve—and I beg the attention of any gentleman who is here to-night to the proposition I make—the fact that a Member of Congress, or a member of the Republican party, stands for no interference at this time with the present condition of the tariff, by no sort of means is a suggestion that we defend every item in the schedules of the present existing Dingley tariff.

The Dingley tariff was made in 1897. It will soon be 10 years of age. There have been mighty changes going on in the industrial system of our country, mighty revolutions in some manufacturing industries of the country, and so it is fair to say that every man hesitates to announce that if he were again engaged in the making of the Dingley tariff schedules that he would put into every one of them exactly the same words and figures that are now in said law. That is not the question involved in this year's discussion. There are many items in the schedules which wise men would differ about, and all men would perhaps say should be changed. But if we enter upon the general proposition of a general revision of the tariff, we are up against a proposition which might bring disaster and ruin to the activities of the times and the whole business interests of the country, so far as our industrial and commercial interests go. To enter upon such a course now would halt the business of the country and paralyze the present prosperity.

While I am on that subject I want to answer the argument made the other night by the gentleman from North Carolina, who seemed to be delighted, absolutely delighted, with the thought that had come to him, that the Republican party claimed that the disaster which came to us in 1893 and some time along before the passage of the Wilson tariff law. There is no stronger argument drawn from the history of American politics upon the question of the tariff than grew out of that very fact that the gentleman seemed so delighted to have an opportunity to refer to. The fact about it was this: The coming into office of Mr. Cleveland, with a Democratic House and a Democratic Senate, which took place in November, 1892, forecast to the people of this country that we were to have a revision of the tariff. It forecast to this country that there was to be a revision downward, toward the position of the Democratic party of a tariff for revenue only. Mr. Cleveland had been elected on a platform that had been forced into the report of the committee of his convention that nominated him from a minority of the committee on resolutions; and the cardinal idea of that platform was that "all forms"—they used that term for the first time—"all forms of protection is a robbery of the many for the benefit of the few." So when it was found that Mr. Cleveland, again at the head of a great and militant party of this country, was backed by a Congress elected upon a platform of that character, the whole country took fright, and the disaster that came upon us in later years was simply the full coming of a period, an epoch, that had been foretold by the election of Cleveland himself.

It did not need the action of the Congress; it did not need the declaration of the body here; it was enough to know that a party had come into power backed with a declaration in favor of substantial free trade, and the whole country became convinced that ruin pursued us. Let me put this proposition to any intelligent man here: Suppose you are a manufacturer of something that is sold in the market, sold in the various States in the Union. I care not whether it be textile fabrics, whether it be manufactures of steel or manufactures of wood or manufactures of anything; suppose you are manufacturing now on a large scale, and conditions are as at present, with the Republican party in power in this House, in power in the Senate, and in power at the White House, and there comes out from that source or sources a public declaration that in the coming session of the Fifty-ninth Congress we will revise the statutes in the direction of a lower tariff. Suppose that could take place, and you believed it to be true, what would you do from now until then? Would you make anything? If you wanted raw material, would you buy it? If you wanted to buy the commodity that you wanted to sell, you being a retailer, would you go to the wholesaler and make with him a contract for future delivery, or would you stand still, as this country stood still from the very moment the clock struck and Cleveland was elected?

There is nothing strange about this. It was the natural and inevitable result of a declaration by the Democratic party that they would destroy the protective tariff. It spread like wildfire throughout the country. It drove to cover every business man

and paralyzed every growing industry. It was the inevitable result, and the only importance that attaches to the proposition now is the fact that a declaration to-day of a purpose and intent on the part of the dominant party of the country to enter upon a systematic revision of the tariff would result in exactly the same overthrow of business and the same unfortunate stampede to cover of every industrial institution of the country. Why not? The very lifeblood of our business organization is hinged upon this system of free trade or tariff, and the necessary, natural, and inevitable consequence of a declaration of purpose on the part of a power sufficient to execute the threat to interfere is quite sufficient to overthrow prosperity and destroy business. So much for that. Therefore and necessarily it is wholly unimportant whether the Wilson bill had been passed or not, whether it had been introduced or not. It is enough to say, and every intelligent and every honest man knows it to be true, that instantly upon the declaration of the election of Cleveland and a Democratic Congress the trouble began, and the trouble never ended until confidence was restored by the election of William McKinley to be President.

It was not 12 o'clock on the day following his election that the steel operators, and among others the Oliver Chilled Plow Manufacturing Company leading in the movement, cut the price of wages of labor in Pittsburg; and from that time forward the destructive influences of the election—not the action, my friend from North Carolina, but the election of an organized body of tariff destroyers, a representative body of men following the leadership of Grover Cleveland—destroyed the industries of this country; and you gentleman did it just as successfully before you had passed the Wilson bill as you did it by the passage of the Wilson bill. [Applause on the Republican side.]

Now, Mr. Chairman, my opposition to interference with the tariff is that we are living to-day in the greatest prosperity this country has ever seen, and I think I am willing to repeat the language of our protective-tariff President by saying that not only is it the most prosperous that this country has ever seen, but, examined from the standpoint of employment of labor, the reward of industry, the market for our productions at home and abroad, and all that goes to make up wealth and greatness in the country, we are living in the most prosperous time that any country ever saw in all history.

There is published in this city of Washington a daily newspaper. It makes its appearance three hundred and sixty-five days every year. Nominally it is an independent paper, without partisan bias. It is a paper conducted with unusual ability. It is a newspaper of far-reaching activity and enterprise. There is no Democratic newspaper on this continent that is as thoroughly Democratic in all its beliefs and opinions and utterances as the Washington Post of to-day; but it is an independent newspaper, and every once in a while it tells the straightforward, undisguised truth about party politics and party purposes. I do not say that it ever tells anything that is not straightforward, but sometimes it argues in such a way that I suspect the politics of the writer of the arguments. But I hold in my hand its editorial of yesterday morning, which I propose to incorporate in my remarks. It is an able and truthful statement of the prosperity of this country, covering every possible branch of the industrial situation, and covering every possible avenue that goes to make a people rich and great and strong and prosperous; and it is the declaration of that great newspaper which is published here in the city of Washington, overlooking the entire world, observing with the keen eyes of a thorough newspaper man. For its proprietor is one of the greatest newspaper men in the United States; a man who knows how to make a fortune out of a newspaper in Ohio, and who knows how to conduct a newspaper in Washington to the very greatest possible ultimate success of a newspaper. And here is his statement:

INDUSTRY AND COMMERCE.

Business conditions and prospects, in the closing days of the fiscal year, are remarkably good, and records are being smashed in several directions. The import and export commerce of the United States for the year just closing is far ahead of any previous year. The imports will reach about $1,225,000,000, and the exports $1,786,000,000, a total of $3,000,000,000. The effect of the meat scandal upon exports of food stuffs has not yet made itself felt, the exports of food stuffs in May having been larger than during last year. The increase of exports of manufactures is about $50,000,000 this year. This, while gratifying, also emphasizes the fact that the principal increase in exports was in agricultural products. Of the increased imports, nearly 20 per cent, or $23,000,000, consisted of luxuries.

The iron and steel industries are running at top notch. Orders for steel rails for 1907 delivery received during the past week aggregate 300,000 tons, and contracts were made for about 50,000 for delivery during 1906. The steel companies have accordingly placed large orders for pig iron, although the highest price of the year was reached last week. The output of pig iron for 1906 is expected to reach 25,000,000 tons. On account of unfavorable weather, the output in May was less than the demand.

The largest dry goods business ever transacted was reported last week, and this in the face of a higher level of prices. The demand for tin plate is so heavy that the largest manufacturers have decided to run through the summer instead of taking the usual holiday. Shoe manufacturers are doing the biggest business in their history. Reports from other special lines of industry are to the effect that business is better than ever.

In spite of efforts in Wall street to circulate reports of poor corn and oats prospects, the outlook for crops of all kinds is good. The wheat crop is expected to reach 713,000,000 bushels, nearly as great as the enormous crop of 1901. Somewhat unfavorable reports of the prospects of the yield of oats and corn have been discounted since by better weather conditions, and the outlook now is for a good yield of both staples. Cotton is making steady progress toward a good crop, in spite of excessive rain in Georgia.

The money market is easy, partly on account of the deferred call for funds with which to move crops in the South and West, and partly on account of light speculation. Railroad shares advanced to a point within $4 of the highest mark on record. Announcement was made of heavy dividend and interest payments in July, many new corporations entering the list of dividend payers. The dividend and interest payments scheduled for next month aggregate $152,594,266, an increase of $6,985,424 over July, 1905. Of these sums, the railroads will pay $36,837,000 in dividends and $66,546,000 in interest, and industrial corporations will pay $28,041,000 in dividends and $9,163,000 in interest. Banks and trust companies will pay $2,500,000 in dividends.

I quote from a recent magazine article by Mr. James Creelman in Pearson's Magazine for July:

NOT THE STATISTICS OF DESPAIR.

Glance at these figures and see whether any gospel of despair can be built upon them:

Since 1870 the population of the country has a little more than doubled. In the same period the total wealth of the nation has increased from $30,068,518,000 to nearly $100,000,000,000, and the public debt has been reduced from $2,331,169,956 to $989,866,772. The national debt of the United States is $11.91 per capita, as against $92.59 per capita in Great Britain and $15 per capita in France. The total money in circulation in this country has grown from $675,000,000 in 1870 to more than $2,600,000,000 to-day. It represents a per capita money circulation of $31.73, as against a per capita of $18.65 in Great Britain, $19.73 in Germany, $17.85 in Canada, $18.46 in Holland, $9.75 in Italy, and $3.36 in Japan.

In the thirty years stretching between 1870 and 1900 the number of manufacturing establishments in the United States more than doubled, and the value of their products increased from $4,232,325,442 to $13,010,036,514, a growth in thirty years of more than 300 per cent.

In that thirty years the average number of industrial wage-earners increased from 2,053,996 to 5,314,539; in other words, more than two and a half times as many men engaged in manufacturing pursuits—and the total of industrial wages paid out increased from $775,584,343 to $2,327,295,545, an aggregate growth of about 300 per cent in industrial wages.

Eighty years ago three-quarters of the population of the United States were engaged in agriculture. To-day only about a third of the population is occupied in farming. Yet so enormously has the productive power of the individual farmer increased that it is only a few months since the Secretary of Agriculture was able to write to President Roosevelt this stirring statement:

"If the farmers' economic position in the United States is to be condensed to a short paragraph, it may be said that their farms produced this year wealth valued at $6,415,000,000; that farm products are yearly exported with a port value of $875,000,000; that farmers have reversed an adverse international balance of trade, and have been building up one favorable to this country by sending to foreign nations a surplus which in sixteen years has aggregated $12,000,000,000, leaving an apparent net balance of trade during that time amounting to $5,092,000,000 after an adverse balance against manufactures and other products not agricultural, amounting to $543,000,000, has been offset.

"The manufacturing industries that depend upon farm products for raw materials employed 2,154,000 persons in 1900 and used a capital of $4,132,000,000.

"Within a decade farmers have become prominent as bankers and as money lenders throughout large areas; and during the past five years prosperous conditions and the better-directed efforts of the farmers themselves have increased the value of their farms 33.5 per cent, or an amount approximately equal to $6,131,000,000."

Here are frank and truthful statements, and it is enough for my purpose this evening to say that this editorial leaves nothing to wish for in the United States to-day. We have a larger export trade than ever before, larger than ever known or dreamed of before. And let me put some questions to gentlemen who doubtless will follow me on the Democratic side of this House. What is your criticism of conditions at home? What do you say about the employment of labor? To-day I was told that a Democratic Member on this floor stated without hesitation in a private conversation that a hundred thousand men were to-day wanted in half a dozen of the Southern States, and that there was suffering there for the want of that number of men to do the work—no suffering for labor. To-day it is said 25,000 men are called for to harvest the golden wheat crop of that magnificent agricultural State of Kansas, and they are sending in every direction and paying fabulous prices for help in their harvest.

The Democrat says that is true, that is all right, that there is a great demand for labor, high prices being paid for labor, but he points to the enormously high prices that he says the laboring man has to pay to live. Well, I do not believe there is a laboring man in this country, who can speak any language, who would not prefer his wages of to-day, coupled with his expenditure for living of to-day, as compared with the condition from 1892 to 1897. That is the real test, and let somebody tell me what is wrong now with our industrial system at home. Why should we enter upon a revision of the tariff for the pur-

pose of bettering our domestic condition? Do you want higher wages for the laboring man? Do you want greater employment? Do you want a better market? What is it you do want? Tell the people of the country, or cease your clamor upon this question.

Mr. SMYSER. They want the offices. [Applause and laughter on the Republican side.]

Mr. GROSVENOR. My friend says they want the offices. Well, that is a disease not peculiarly confined to the Democratic party. [Laughter.]

Now, is it our foreign trade that you want to improve? We are selling more commodities abroad now than we ever sold in all our history. I shall put into my remarks some figures. I am not going to stop now to go into figures to any very considerable extent, but with the permission of the committee I shall decorate my speech with some figures, to show that the balance of trade in our favor is running mountain high, and I shall have something now to say directly about that subject of the balance of trade, because it is the most important factor in our nation's prosperity.

But you say, "Why, you are selling abroad cheaper than you sell at home." I hold in my hand a telegram sent by the Associated Press from London, and published in the Washington Post of this morning, and I want to state to you my proposition in regard to when a tariff is too high and when a tariff is too low and when a tariff is just right. A tariff is too high when it prevents any possibility of competition to keep the American production in a fair position with relation to the wages and to the cost of the product. Whenever there comes into this country a considerable quantity of a commodity of ordinary use in the community from a foreign country, a production that we produce here, that we have raw material to make and have labor to make it, and have a market to sell it in, the tariff is too low.

That is my suggestion, and I take that position in the interest of American markets, of American labor, and American capital. [Applause on the Republican side.] Last year there was imported into this country somewhere in the neighborhood of $30,000,000 worth of steel and iron productions. Some of that was, perhaps, articles that we do not manufacture. Whether it is or not I do not know, but it is enough for me to know that there came into our markets and was sold in this country a product of European labor that was worth in the neighborhood of $30,000,000 of American money, and when I say that I say that upon the question of this product of human endeavor our tariff is not too high. That is my test, and I believe it is a good one.

I hold in my hand a dispatch from the Associated Press from London, dated yesterday. It says:

AMERICA BUYING ENGLISH STEEL.

LONDON, *June 26, 1906.*

English works report the existence of a large inquiry for steel for America. Fully 10,000 tons were sold last week for quick dispatch to America at a price equal to $24.50 f. o. b. Orders totaling about 50,000 tons are also on the market.

Mr. WATSON. Is that steel rails?

Mr. GROSVENOR. It says steel. I do not care, for the purposes of this argument, what it is, but it is steel and the manufactures of steel. When that fact exists I say that the tariff on that commodity is not too high.

But, Mr. Chairman, I must hasten along. My objection to entering on this subject in a political campaign, such as we are to have, is that there would be no consensus of judgment or opinion as to what ought to be done with the tariff if we entered on the work of revision. We have in this House now, and we have in the editorial representatives about this Capitol, a good many men—able men, bright, clear-headed men, representative men of the industries of their States—who favor revision of the tariff. It has got to be a kind of a song that is sung. We hear it echoing from the plains of Iowa, where self-seeking politicians are seeking to rise into power upon a mere ill-defined proposition that no man apparently yet understands. If you would address a letter to every Representative here, Democrat or Republican, and every newspaper writer that writes editorials in this city, and to every editorial writer in the United States, and ask them for the list of articles of the tariff that, in their judgment, ought to be changed, ought to be lowered or raised, and you could get an answer from every one of them stating their honest convictions, the music that surrounded the Tower of Babel would be a plain song of harmony flowing along the gentle lines of equality as compared with the babel and confusion that would come up. [Applause on the Republican side.]

Mr. CLARK of Missouri. I would like to ask the gentleman one question.

Mr. GROSVENOR. Certainly.

Mr. CLARK of Missouri. Is it not a fact that the majority of all the Republicans in Iowa have declared for Governor Cummins for governor for reelection for a third term as a tariff-revision candidate? [Applause on the Democratic side.]

Mr. GROSVENOR. I do not know that he is to be nominated as a revisionist.

Mr. WATSON. It has been reported in the newspapers of late that he has said nothing this year in regard to the tariff.

Mr. LACEY. He has never mentioned the tariff in his campaign.

Mr. CLARK of Missouri. Well, I will tell you what he said last fall. He said that all the robberies committed by all the life insurance companies in all time did not equal one-fifth of the robberies inflicted by the Dingley bill in one year. [Applause on the Democratic side.]

Mr. GROSVENOR. Any man who would say that is unworthy of the confidence of any one American citizen, let alone the majority of people of a great State. [Applause on the Republican side.] Such a man as that is a malicious fabricator and a disgrace to every decent aspiration of American citizenship.

Mr. CLARK of Missouri. He has been elected governor of Iowa twice by the Republicans, hasn't he?

Mr. GROSVENOR. Yes.

Mr. CLARK of Missouri. And he is going to be elected again, and it shows that Iowa is in favor of tariff revision.

Mr. GROSVENOR. I do not concede the suggestion. When the Republicans of Iowa meet in convention and adopt a platform we can tell more about that. But what they do or do not do will not shake the Republican party off from its moorings. The party is as soundly a protection party to-day as it was under the splendid leadership of Harrison, McKinley, Dingley, and Hanna, who lead in the great battles we have fought and won and the fruits of which victories the people of this country are now reaping in such generous measure.

Let me tell the gentleman, lest he should be too happy—I always like to see him just happy, but not too happy—that Governor Cummins has eschewed the tariff question during the last six weeks in his campaign, and I defy the gentleman to put his hand upon an utterance of his during the last six weeks that by any means sustains the proposition he has made here to-night.

Mr. CLARK of Missouri. One more question. Does the gentleman believe that Governor Cummins has changed his mind since he made that speech before the Polk County Club last fall?

Mr. GROSVENOR. Oh, I don't know anything about the Polk County Club.

Mr. CLARK of Missouri. That is the county that Des Moines is in.

Mr. GROSVENOR. And I don't know anything about any speech by Governor Cummins, to which my friend refers. "One swallow does not make a summer." Let me finish what I tried to say to the gentleman before. When the Iowa convention, which is to be held on the 1st of August, shall adopt an expression in favor of a revision of the tariff, without qualification, it will be time enough for the gentleman from Missouri to get happy, and not until then. [Applause and laughter on the Republican side.] It is not very many days since there was a Democratic convention held in the State of Tennessee, a most boisterous and heroic convention. There was a gala time down there, and everybody was happy, and the Democratic goose was elevated very high above that capitol. The convention remained in session four days, and the Democrats of Tennessee had the time of their lives. They passed a whole lot of resolutions, and they talked about everything in God's world, from the beginning of time down to the present time, except the tariff question, and they never said a word about revision, low tariff, or anything else. [Applause and laughter on the Republican side.]

Mr. CLARK of Missouri. Does the gentleman not think now that he took rather a long running jump, when he jumped from Iowa and lit in Nashville? [Applause and laughter on the Democratic side.]

Mr. GROSVENOR. Well, I did not run from Iowa. It was the gentleman who ran up to Iowa, and I was trying to run him down among his friends down South. That is what I was after. [Laughter.] I wanted to run the gentleman down to the place where Democracy is in full bloom, to a State where there are more Democratic protectionists than there are Republican revisionists in the State of Iowa. [Applause on the Republican side.] But let me tell the gentleman something else. Don't go as a missionary into any of these northern revisionist States this year. The gentleman has work enough to do nearer home. Go to Alabama, a State that is prospering and growing as a result of the fruits of the protective tariff. Go to Tennessee, go to all the Southern States, and be careful to omit to preach the doc-

trine of revision of the tariff in the hills and valleys and rich plains of Missouri. If he does, he will get left again as he did a year ago. Now, let me go on. I am using up too much of my time, and I intended to be very solemn and serious to-night.

I want to make a single proposition. I shall fill out the joints of this broken discussion with some figures to which I have referred. The Democratic party is a party of opportunities. It never has hesitated since 1860, when it ought to have gone out of business and stayed out, to adopt any new idea that comes fluttering along. The party had got pretty well established up to 1904 in favor of the doctrine of a low tariff and free and unlimited coinage of silver. If I say anything in my address to-night that is going to be valuable to the student of American politics in this regard it will be along the line I desire to speak upon now for a few minutes. The platform of the Democratic party of 1896 as well as the platform of the party of 1900 was a logical platform—pernicious, but logical. It was possible to carry out that platform if the Democratic party had succeeded in getting into power. It could have had a low tariff and free and unlimited coinage of silver. It could have had money enough to manage to get along upon that proposition, but unfortunately two defeats of the party drove it suddenly over on to new ground. They went out to St. Louis and considered the subject. They ought to have been more courageous. They ought to have stood by their guns and died there, rather than to have made an inglorious retreat to another platform, which I will show was impossible of execution had the party been successful. That was the longest jump that any gentleman has made who is now within the sound of my voice [applause and laughter on the Republican side]—made by the gentleman from Missouri [Mr. CLARK] who jumped from a logical proposition of a low tariff and free and unlimited coinage of silver to the absurd and impossible proposition of a low tariff and a gold standard, and I will try to show you why. What is the fundamental and underlying proposition in our commercial predominance to-day? It is simply because we sell to other people more of the productions of the industrial system of the United States than we buy from them. Without that balance of trade this Government would not be a prosperous one. We point with a great deal of pride to the fact that during the Administration of Mr. McKinley and Mr. Roosevelt there has been a greater balance of trade in the aggregate in favor of the United States than in all the previous history of the United States put together. I am going to try to show you now that the platform of Mr. Parker, the Western Union Telegraph platform upon which he ran for President, born at midnight in the city of New York and telegraphed to St. Louis and forced down the throats of my friend from St. Louis and other astonished Democrats, who woke up suddenly and bowed to the dictation of Wall street—I am going to try to show you that it was as much impossible for them to have carried into execution that platform as it would have been for them to have flown in a kite from St. Louis to New York on that occasion.

We have in this country about $2,700,000,000 of gold coin. Underlying everything that is of any value in this country is gold, as I will show you. Other provision may be made and is made for interchange about commodities, silver, bank notes, Treasury notes, other species of money, all of which under Republican administration is of equal value, but underlying every dollar of it and that which makes every dollar of it of equal value is the gold of this country, and as I have said, there is some $2,700,000,000 of all these varieties of money, and between $800,000,000 and $900,000,000 of that money is gold, probably a greater proportion now. I will treat it as $800,000,000 for my purpose. That $800,000,000 is underlying our credit. It holds up to the standard of equality of value every dollar of our money. If that gold should be drawn out of this country, the credit of the country would collapse instantly unless it should be possible to replace that coin. Suppose we should wake up to-morrow and should suddenly learn there had been put into the Treasury of the United States and disseminated in equal proportions as now exists of the money of the country $800,000,000 of paper money, promises of the Government, if you please, and that during the night the $800,000,000 of gold had suddenly disappeared and gone abroad into other hands and no prospect of any gold being returned to supply the place of the coin which had disappeared. There would be a collapse of the business of this country that would be absolutely stupendous and forever irremediable. Where do we get this $800,000,000 of gold? Where does it come from? How do we happen to have it? We have it simply because under the Administrations which have preceded this one and during this Administration thus far we have had the gold standard and the protective tariff, and those two propositions coming together have put the balance of trade in favor of the United States and drawn to this country $800,000,000 of gold and remains and will remain while Republican administration remains. [Applause on the Republican side.]

Every dollar subtracted from that $800,000,000 lessens the substantial character of our credit system. It makes the difference of the balance of trade. I have no time to indicate year by year how the balance of trade, which had been running against us and which ran against us during part of the Cleveland Administration, has grown up and constantly reestablished itself, until to-day it is the great power that is drawing from all the world the gold of the world and bringing it into the United States. Now, what do the Democrats say about that? They say there is nothing strange about that; it is very easy to account for it. All of a sudden we began to mine a terrific quantity of gold, and the argument is made, and it was made by the gentleman from North Carolina, that the claim of the Democrats of 1896, of Mr. Bryan most eloquently and ably from the standpoint of absolutely bad politics, that we wanted more money, and now they say because we have got more money, and they point to the enormous incursion of gold into our circulating medium, they cry out and say "that is exactly what we wanted. We have got it, and prosperity is here." Let me give you a few figures. In the first place, Mr. Chairman, I shall put into my remarks the annual production of gold in the United States since 1890 and 1891, and I state now that you will find that the discrepancy, that the tremendous ratio of increase that the Democrats are talking about, is a dream of theirs. There was a large increase, but not anything like the increase as compared with the discovery of California as compared with the population of the country.

I will show you that immediately following, I state it now, that immediately following the discovery of gold in California, and immediately following the delving out of the earth of $800,000,000 of gold which we had between 1848 and 1860, we had the hardest times we ever had in this country in 1857. And I am going to show you something else about that gold. I may as well go to it now. Between 1848 and 1860 how much gold do you think was discovered, not in foreign countries, but dug out of the earth in the United States? How much? Eight hundred million dollars, an amount equal to just about the gold we have in this country to-day. In 1848 we had $150,000,000. We dug out of the earth $800,000,000; that made $950,000,000 of gold that ought to have been in the United States in 1860. We had a low tariff; we had the Walker tariff down to 1857, and then a low tariff. I want you to get that into your minds. It was a period of low tariff. Where did the gold go to? Where was that gold—the $950,000,000 of gold—that we ought to have had in 1860? I do not know; but I do know that in 1860 we only had $200,000,000 in gold in the United States. Answer that question, my Democratic friends. Where had it gone to, and why? Two hundred millions out of nine hundred and fifty millions. Seven hundred and fifty million dollars had fled. Why? Because on every recurring year there had come from the Treasury of the United States the fateful statement that the balance of trade had been against us, and gold had fled. Why was the balance of trade against us? Because, under a low tariff, we were buying our goods from abroad and sending the gold abroad to pay the difference between our accounts current against the foreign trade and their accounts current against us. [Applause on the Republican side.]

Now, do not talk about selling goods abroad cheaper than you do at home. My Democratic friends, get out of the ruts of dead propositions. Get away from playing with trifles and tackle some of the facts of history, and see how you are going to get along with it.

Why did we borrow $262,000,000 under the Cleveland Administration? I care nothing about the question of who was responsible in 1893, 1894, and 1895 for our troubles. They were hard times, for the purpose of this argument. It is enough for me to know that in 1894 we had reached the culmination of the declared policy of the Democratic party to lower the tariff. We had held the threat over the country, and paralyzed the business and protective industries of the country; and then there had come a period when the balance of trade ran heavily against us, and we had to borrow $262,000,000 in gold. This in time of peace and to pay our running expenses. Where had that gold been, and why did it go there? Answer that, my Democratic friends. We had been producing this vast quantity of gold all these years. I will put into my speech the figures of 1880, when we only had $200,000,000 left, and show you how much we ought to have had and how little we did have when we were compelled to borrow $262,000,000 and sell our bonds, redeemable in gold, in the markets of Europe to run the expenses of this Government. It was not recklessness on the part of the Government. It was not bad administration, except this fundamental error on the

part of the Cleveland Administration. It was not fraudulent; there were not corrupt men in office. They were men administering a Government upon a false proposition, and that was that you could run a low-tariff proposition and a gold standard. It never can be done.

Now, I have only ten or fifteen minutes left——

Mr. CLARK of Missouri. Mr. Chairman, I do not like to take the gentleman's time, but I want to ask him one question. Is not England a free-trade country?

Mr. GROSVENOR. Yes.

Mr. CLARK of Missouri. Has it not a gold standard?

Mr. GROSVENOR. Yes.

Mr. CLARK of Missouri. How do you make it out, then, that the two things can not go together?

Mr. GROSVENOR. I will take great pleasure in answering the gentleman from Missouri. I have done it often heretofore and I am a little surprised that he should want to have it repeated.

Mr. CLARK of Missouri. I would like very much to hear some sensible explanation.

Mr. GROSVENOR. England is more nearly a free-trade country than any of the great manufacturing countries of Europe, but she falls very far short of being a free-trade country, nevertheless. England can not feed her people upon the productions from her own food-supplying sources. She must buy and import vast quantities of food stuffs, so that any general system of protective tariff would disturb the peace of England by enhancing the cost to the consumer of food. It is true that England maintains the gold standard, but she does it for the precise reason and by the same means that we do it in this country. That is to say, her tremendous domination of the markets of the world hitherto maintained by her manufacturing system has enabled her to lay tribute, as it were, upon all the countries of Europe and largely of the whole world. In doing so she maintains the balance of trade largely in her favor as against the whole world in the aggregate, and by the same process that, under Republican administration, we have maintained the gold standard in the United States so England maintains the gold standard in her country. But the gentleman from Missouri must bear in mind that while until very recently the British people maintained this gold standard without complaint, a cry of dissatisfaction has gone up all over England; and while it is true, as the gentleman says, that the Balfour government received an overwhelming defeat recently, it is equally true that there was a peculiar and remarkable and startling uprising of the rank and file of the English people in favor of protective tariff. The farmers of England overwhelmingly supported the proposition, but the people of the great cities, fearing lest a general tariff system would increase the cost of living, voted down the proposition and elected the opposition government, but it is not believed that they can long survive the steady incursion of American products and American tradesmen into the markets of Great Britain. We export enormous quantities of food. She imports vast quantities of food. I was told by a gentleman who claimed to know, and, I think, did know, that if there was drawn around the islands of the United Kingdom a cordon of ships which would exclude all breadstuffs and food stuffs from going into England, Scotland, and Ireland for ninety days, there would be suffering and starvation. Therefore England could not put a protective tariff upon food stuffs. She could not build up her farming industry by a tariff on food stuffs, and that is the reason why the farmers of England are crying out as they are. Our farmers under our system of protection are growing richer year by year. The farmers of England are growing poorer year by year. Our duties on the productions of other countries give us the home markets, and our exports are growing daily. Before such object lessons as these, theories go for nothing. The teachings of the schools fail of securing the approval of sensible men in the light of the teachings of experience.

Mr. CLARK of Missouri. Did not Balfour and Chamberlain get the worst thrashing that any two statesmen ever got in the world this year on that very proposition?

Mr. GROSVENOR. They did not get as bad a thrashing as my friend did two years ago.

Mr. CLARK of Missouri. Well, there is a majority of 353 against them in the House of Commons.

Mr. GROSVENOR. And we have got 116 in this little body of ours.

Mr. CLARK of Missouri. But 116 is not equal to 353, is it?

Mr. GROSVENOR. The gentleman must bear in mind that the House of Commons has 700 members—nearly 800 members.

Mr. CLARK of Missouri. Now, another question. I understand you maintain this position: That the country that can not raise food stuffs enough to feed its people can not maintain a high protective tariff?

Mr. GROSVENOR. I say so.

Mr. CLARK of Missouri. What about Germany, then?

Mr. GROSVENOR. Germany does not have a high protective tariff, and she buys much of her food abroad. [Laughter and applause on the Democratic side.]

Mr. CLARK of Missouri. Why, Germany imported $153,000,000 worth of things to eat from the United States last year.

Mr. GROSVENOR. Very well. But Germany could have fed all her people without importing one dollar's worth from the United States, and I challenge the gentleman's figures.

Mr. CLARK of Missouri. Then why did they import it?

Mr. GROSVENOR. Because they could get it better and cheaper here than anywhere else. Germany has not in any proper sense a protective tariff at all, except upon the products of her artisans on certain special articles of her industries.

Now, Mr. Chairman, I have but a few moments left me. A good deal of my time has been taken up in that which has amounted to a deflection from the line I had chosen to speak upon.

I challenge Democrats on this floor not to go abroad for suggestions that they can not prove and hurl them across this House without anything to back them up.

We are not legislating for Germany or for England. Take our own country and tell me why it is that whenever the Democratic party is in power the balance of trade runs against us and the gold flees from us. If you want to account for this, let me ask you another question. You say that the gold that was discovered in the Klondike and in South Africa came and flooded this country. Answer me another question. Do not get up and answer it now; answer it when you have thought, because it is a troublesome one.

How much of the gold, now amounting to over $1,000,000,000, or whatever it is, how much of it do you believe, my Democratic friends, would you have had if you had had the administration of this country during the past ten years? How much of the gold of California stayed here? I have shown you how much. I have shown you $750,000,000 of it fled. What was that thing that drove that gold out of the United States, that would not have driven the gold that has accumulated during the past ten years out of this country? You would have made the silver dollar the standard of this country. How can you say that there would have been a dollar of money in circulation of this money that was worth two of your silver dollars? How much more would there be in circulation in this country than the amount to-day circulating in Mexico? Some little gold is going into Mexico because of the change of system of Mexico very recently made. Would not the gold of this country have fled as the gold of China has fled, until within the last few months there was not a gold dollar, nor a gold pound, nor a gold sovereign, or anything else gold circulating in the Chinese Empire? Why not? Because there was a standard of money that was far below the standard gold dollar in value. The answer to it all is met in the fact the balance of trade is not in our favor in this country when you have a low tariff.

I have only a few minutes, perhaps, to speak. Let us see how it has operated.

Between 1848 and 1860, inclusive, the production of gold in the United States amounted to $651,000,000, and of this $651,000,000, $650,000,000 was from California. As to the amount of gold in the United States in 1848, to which was added $651,000,000, there are no satisfactory or reliable statistics, but it is enough for my purpose to say that in 1873, when reliable statistics appear, we had about $135,000,000, all told, of gold in the United States. All the rest had been driven away by the process which I have already stated. It appears that on the 1st of July, 1860, there was $235,000,000 of all kinds of specie money. This included the money in the Treasury and the money in circulation, but no one can tell what the proportion of gold was. So it is probably a fair statement to say that, as I have already stated, on the 1st of July, 1860, the supply of money, which ought to have been $950,000,000, had fallen to $200,000,000. The Treasury statement for June 1, 1906, shows that the gold in the United States, including in this term gold coin in circulation and coin and bullion in the Treasury, amounted to $1,466,921,374, and the general stock of money in the United States of all kinds as $3,057,901,107. Now, let us take the gold production of the world from 1888 to 1904, and let us see how much there is to bolster up the waning fortunes of Democratic politicians upon this topic:

1888	$110,196,900
1889	123,489,200
1890	118,848,700
1891	130,650,000

1892	$146,651,500
1893	157,494,800
1894	181,175,600
1895	198,763,600
1896	202,251,600
1897	236,073,300
1898	286,879,700
1899	306,724,100
1900	254,576,300
1901	260,992,900
1902	296,737,600
1903	325,961,500
1904	346,892,200

Thus it will be seen that the increase was not in such a rapid ratio would justify the claim that the production of gold revolutionized the business conditions of the United States. All the gold of California could not prevent or halt the awful conditions of 1857. The rapidity of their oncoming was lessened, but the storm swept over us and left wrecks of business never to be repaired and swept away private fortunes never to be replaced.

To again advert to this matter of balance of trade, how is it maintained, how is this vast sum of gold retained in the Treasury? That is a most important factor and one well worthy of our most careful consideration. Divide the population of this country into three great classes—first, the farmer; second, the manufacturer, and third, the laborer. For the purposes of my argument this division is sufficient, and covers substantially the whole population. Who eats the production of the American farmer? You may say the farmer himself and his family and laborers. That is true; but who eats the surplus; who buys it? Men who do not produce the article. Who are they? All the people who are not working on the farm, and in the exact ratio of their purchasing activity is the prosperity of the farmer. The farmer can live—that is, he will not starve—if nobody comes near to buy his surplus; but he must have a market for his surplus or he can not improve his farm, he can not educate his children, and he can not keep up with the march of development of his own country. So he must look to the nonproducer to be the buyer, and that nonproducer is the laborer, the capitalist, and the manufacturer. In order that these nonproducing people can have money to buy the product of the farmer, they must have employment, and they get it by the employment of labor in manufacturing industries.

Where does the manufacturer get his money to pay the laborer who works for him? All I have said about the farmer applies to the manufacturer. He must have money and he must get it from the men who do not manufacture like articles with himself, and it follows if the money of the American consumer of manufactured articles is sent to Europe and invested in the products of European labor, there will be by that amount so much less money in the United States to be expended for manufactured articles and farm products. So the money that is sent abroad lessens the amount of money expended in this country, and by that same process the wage-earners are cut down to that extent. And every dollar of foreign trade balances being adjusted and paid in gold, it follows necessarily that the gold of the country is drained to the foreign market, while the production of labor gluts our own market here and hard times ensue. There is no difficulty to work this problem out. It is as easy and as safe and as certain as any problem in mathematics can be. Every time you reduce the grand aggregate of money paid out in this country for labor and products and send it abroad you lessen the amount of gold in the United States—gold, which is the underlying basis of our trade operations, is lessened in quantity and sent abroad to pay the balance of trade against us, and in that way you will soon work out the problem that I have stated as fundamental, that you can not have a low tariff, a tariff for revenue only, and maintain the gold standard in this country. That might as well be abandoned one time as another. It has operated exactly in proof of my assumption from the foundation of the Government, and it will go on as long as inevitable figures operate as a demonstration. [Applause.]

I add a most valuable article which was published in 1904 in the Philadelphia North American:

[North American, October 5, 1904.]

THE GOLD AND THE TARIFF.

At the present moment we have in circulation in this country of money of all kinds about $2,600,000,000. The paper and silver currency rests upon and obtains its value and effectiveness from the store of gold that we possess. The gold in the National Treasury and in circulation in September, 1904, was $841,000,000. Thus there was about $1 of gold for every $3 of general currency. But the gold has another burden to carry and to impart value to—bank credit. The precise figures representing this bank credit are not available, but beyond question they amount upward far into thousands of millions of dollars. To retain in the country the stock of gold is therefore manifestly a matter of the first importance. No well-informed man needs to be told that if the metal should go abroad in large quantities the American people would encounter financial distress and industrial prostration.

If past experience has any lesson for this nation, it is that the one thing that will send gold away in great sums is large reductions of the duties upon imports—in other words, the kind of tariff reformation to which the Democratic party is solemnly pledged.

What is the experience referred to?

In 1846 and in 1852 this same Democratic party, in control of national legislation, put into operation tariffs which went as far as the party dared to go in the direction of outright free trade. The first of these tariffs was enacted almost simultaneously with the discovery of gold in California—the gold that was needed more than any one thing to promote and expand the industrial forces of a nation that had never possessed anything like a sufficient quantity of real money.

If the protective system as the nation knows it now had been at that time in existence, there could be no doubt that all, or nearly all, the gold unearthed in California would have remained here to benefit our own people. But with our ports wide open to European manufactures the country was flooded with European goods which we might have made at home, and practically the entire mass of California gold was hurried across the Atlantic to pay for them.

In the meantime, the American people, instead of employing gold for currency, as they might have done, were compelled to use rag money of such filthiness and variableness of value as men of the present generation can hardly understand. In the meantime, also, the revenues of the Federal Government, deprived of customs duties in sufficient measure, fell so far below the necessary expenditures that the Treasury was obliged to borrow money for which (so low had the national credit fallen) it was compelled to pay 12 per cent.

The inevitable result of all this blundering and folly was that in 1857, with the Democrats still in power, the nation was involved in one of the worst panics recorded in its history—a panic in which private business and public credit were shaken to their foundations.

In a different degree, but in precisely the same manner, the same thing happened during Grover Cleveland's second Administration. In 1892, the year before he came into office, our total exports were $1,016,000,000. In 1895, two years afterwards, with the Wilson tariff in operation, the exports fell to $793,000,000. Thus we sold less material to foreigners, and for what we bought we must pay more gold instead of paying in produce.

Gold began again to flow to Europe in a great stream. In 1895, for the first time in many years, the expenses of the Government again exceeded the income; the public debt was increased from $585,000,000 in 1892 to $847,000,000 in 1896, and before Mr. Cleveland had been in office two years there was a panic and prostration of industry precisely like that which brought misery and ruin to the nation in 1857.

The number is small of persons who can remember the disasters of 1857. Millions of living men know from observation what happened in 1893. The younger men, who have come into adult years since 1893, will do well to study the complete history of that time of destruction and distress, and the causes of the trouble.

It is hard to believe that intelligent Americans who know the facts will consent to make a third experiment along the line of the Democratic theories and in the direction of another exodus of gold, another panic, and another period of business disaster.

The Dingley tariff went into operation in 1897, and in the six years following its adoption we sold to foreign countries of our products $3,614,000,000 worth more than we bought from them. This enormous (and still increasing) balance of trade in our favor, and this alone, keeps the gold here, and adds continually to the dimensions of our stock. There will never be another gold drain from our shores to Europe while we have a good protective tariff; but no man can safely assert, in the light of the facts presented above, that such a tariff as Judge Parker and his friends are pledged to will not leave us without enough gold for the safety of our financial situation.

Mr. WATSON. Mr. Chairman, I desire to speak of the beef-trust proceedings. In general interest these proceedings are of the most importance. They were concerned with obtaining for the people an article of prime necessity at a reasonable price. The proceedings were begun by bill in equity, the object being to have the defendants, Swift & Co., Armour & Co., and a number of corporations, firms, and individuals, restrained by order of the court from continuing their illegal combination.

The following characterization of the means used by the defendants in carrying out and making effective their alleged unlawful practices is found in the Attorney-General's argument in the Supreme Court:

Controlling 60 per cent of the fresh-meat industry in this country, they sit down in their packing houses and counting rooms, and, with the aid of the telegraph and telephone, through the instrumentality of countless agents and attorneys spread throughout the country, clothing their transactions and scattering their misconduct by ciphers and secret codes, lower and raise prices at will, and when lowered or raised fix and maintain absolutely the price of every pound of one of the great necessities of life as it comes to our households.

In the bill it was alleged, in effect, that the defendants by means of an illegal combination were perpetrating fraud on all the people by exercising their power to unduly raise the price of dressed beef; that they were oppressing and grievously injuring the farmer by forcing him to sell his live stock at prices unprofitable to him; by issuing instructions to their agents not to compete in bidding after prices had been unduly bid up at various points and the owners of live stock had been induced to make large shipments to those points, and that independent packers were being forced to the wall by the lowering of prices where competition was keen, the losses there being recouped by arbitrarily raising prices where the field had been conquered.

These statements have never been denied in court by the packers. They refused to file a sworn answer to the bill after the lower court had overruled points of law raised by demurrer and appeal to the Supreme Court on those questions and after an injunction had issued against them in that court. They were represented by able counsel and the Government by the Attorney-General.

Twenty-three days after the argument was concluded the court unanimously sustained the Government's contentions, and the defendants were directed to cease their unlawful practices.

Thereafter it came to the Attorney-General's attention that the mandate of the court was not being obeyed. An investigation was ordered, the evidence collected. It was placed before the Federal grand jury, and after a patient and a fair examination an indictment was presented at Chicago charging Armour & Co., Swift, and a number of individuals and corporations engaged in the packing business with violations of the antitrust law.

Meantime the Bureau of Corporations had been making an investigation, by direction of the House of Representatives, contained in the so-called "Martin resolution," into "the unusually large margins between the price of beef cattle and the selling price of fresh beef." The Commissioner of Corporations made the investigation and a report, which was published. In so doing he was furnished information by packers and was given access to their books, except that no information was given to him as to the existence of rebates, the affairs of the National Packing Company, or the results of the selling and shipping business. He summoned no witnesses by subpœna or otherwise, and at the argument it was admitted that he made no promises of immunity.

The packers, although they plead not guilty, were strangely averse (as they had been in the proceeding by a bill in equity) to any hearing upon the merits. They filed pleas attacking the constitution of the grand jury, the jurisdiction of the court, and demurrers to the indictments, which were severally overruled. Then they filed what have been called "immunity pleas." In other words, they claimed that they had received a pardon by virtue of the provision of law which gave to them all the immunities conferred by the act of 1893, amending the interstate-commerce act, which amendment applied to all witnesses summoned in pursuance of the law under which the proceedings were undertaken.

They contended that although they had not been subjected to testimonial compulsion—that is, brought before the Commissioner by subpœna and placed under oath—and had not furnished any incriminating evidence, and although the Department of Justice had not used any of the evidence collected by the Commissioner of Corporations, yet they acted under compulsion in law, because the Commissioner had been directed to investigate them and had authority, under the foregoing law, to compel them to testify and produce documentary evidence.

The "immunity pleas" were sustained as to the individual packers, and they were discharged. The pleas were overruled as to the defendant corporations on the authority of very recent decisions by the Supreme Court in the Paper Trust and Tobacco Trust cases hereafter noticed.

The Government also brought suits against several packing companies of Kansas City, the Burlington Railroad Company, and two individual defendants for making and accepting rebates. The outcome of the litigation was the imposition of a fine of $15,000 each against the packing and railroad companies and $6,000 and $4,000, together with imprisonment for four and three months, respectively.

THE PAPER TRUST CASE.

This was a bill in equity against the General Paper Company and some two score independent paper manufacturing companies, located in the States of Wisconsin, Minnesota, and Michigan, where they manufactured substantially the sole supply of news print and fiber paper for the district west of Chicago and east of the Rocky Mountains. The defendants raised, in the lower court, some very important questions relative to the rights of witnesses under the constitutional provision that "no person * * * shall be compelled * * * to be a witness against himself."

The point and force of the decision of these questions will be stated in the reference to the Tobacco Trust case, next succeeding, for these cases were argued together and the latter contains all the important points decided in this.

The Supreme Court overruled the defendants' contentions. This decision practically disposed of the paper trust's defense, for there was none on the merits, and it submitted without further proceedings. The trust is now dissolved; the benefits of free competition are being received, and it is reported, on reliable authority, that news print and fiber paper are now being supplied to the consumer at the substantial reduction of 30 per cent.

THE TOBACCO TRUST CASES.

These grew out of an investigation by a Federal grand jury, sitting for the southern district of New York, of the American Tobacco Company and the MacAndrews & Forbes Company. Witnesses were summoned to testify to their knowledge of any facts tending to show that these companies were violating the antitrust laws. Subpœnas duces tecum were served upon officers of each company, directing them to produce papers and other documentary evidence belonging to the corporations, and those officers refused. They were adjudged in contempt of court, and they appealed to the Supreme Court. The questions taken to the Supreme Court and decided in favor of the Government were:

First. That a corporation which could not testify, or as a witness produce papers, is not within the terms of the immunity act of 1903, which is in almost the exact language of the immunity act under which the packers claimed immunity.

Second. That a corporation engaged in interstate commerce is not entitled to withhold its books and papers from the scrutiny of the properly authorized officers of the Federal Government, and that the fifth amendment of the Constitution does not grant to such a corporation the right which an individual would have to withhold the same evidence upon the ground that it might tend to incriminate him.

The investigation was again taken up and resulted, on June 18, 1906, in the finding of an indictment against the MacAndrews & Forbes Company and Karl Jungbluth, its president, and against the J. S. Young Company and Howard E. Young, its president, charging them with violating section 1 of the Sherman antitrust law by engaging in a combination in restraint of the trade in licorice paste, that being an indispensable ingredient in the manufacture of plug tobacco and some kinds of smoking tobacco, cigars, and snuff. This trade was restrained in the usual way—that is to say, competition was destroyed, arbitrary prices were fixed, the volume of business was apportioned, and terms of sale and discounts were made uniform. A feature of the combination was that the MacAndrews & Forbes Company, in the division of customers, was allotted the trade with the tobacco manufacturers who were members of the so-called "tobacco trust," while the J. S. Young Company was given the independent trade, the latter company having by its advertisements made special claims for recognition by the independent trade before the date of the combination in question.

This indictment also charged the same defendants with engaging in a conspiracy in restraint of the same trade, and attempting to monopolize that trade (sec. 2 of the act), in and by the acts specified in connection with the charge of engaging in a combination. This case will be brought to trial at the earliest possible moment.

THE DRUG TRUST.

May 9, 1906, suit for an injunction was filed against the drug trust. The principal parties defendant are the Proprietary Association of America, the National Wholesale Druggists' Association, and the National Association of Retail Druggists.

The bill charged, in substance, that these associations, their officers, delegates, and members are all engaged in the business of manufacturing, buying, and selling patent medicines, drugs, and proprietary articles throughout the United States; that they have entered into a conspiracy to arbitrarily fix and regulate the prices at which such articles shall be sold to the consumer, and that they have established rules and regulations to enforce such an unlawful agreement by restricting the purchase and sale of such commodities to those members of the several associations who shall live up to and observe the rules and regulations thus arbitrarily prescribed by the respective associations.

The ultimate object of the alleged conspiracy is to fix the prices which shall be observed by the retail druggists in selling to the consumer the various commodities manufactured by the several members of the Proprietary Association. The plan by which such object is effected is, in brief, as follows:

No retail druggist can obtain goods from a wholesale druggist or the manufacturer of a proprietary medicine unless such retail druggist becomes a member of the National Association of Retail Druggists, and in order to become such member he must agree to observe the established price at which such proprietary medicines shall be sold to the consumer. If he cuts prices, he is blacklisted and is unable to obtain from any manufacturer or any wholesale druggist, who is a member of the association, any of their medicines.

In a case brought by a Philadelphia druggist under the Federal antitrust act the plaintiff obtained a substantial victory. For several months prior to the trial of this case the Department of Justice had been engaged in the investigation of the conspiracy, and the Attorney-General, having reached the conclusion that the combination is one prohibited by the terms of the Sherman antitrust act, has directed the district attorney for the district of Indiana to file this bill. An injunction is prayed prohibiting these associations from acting in concert for the purpose of maintaining prices and the individuals, firms, and corporations who are members of the respective associations

from acting together for the purpose of maintaining uniform prices to the consumers throughout the United States.

THE ELEVATOR TRUST.

March 7, 1906, suit was brought against some thirty companies manufacturing passenger elevators for buildings, the bill alleging an illegal combination which had obtained a practical monopoly in the manufacture and sale of elevators.

The Government's case was complete; the defendants have admitted their guilt and have dissolved their combination.

COAL INVESTIGATION.

The Attorney-General has recently appointed special counsel to make a full and complete investigation into the alleged combination of railroads and coal operators in the anthracite and bituminous coal regions, and the investigation is now proceeding. It promises to be one of the most important steps taken by the Government to break up combinations that are hurtful to the consumers of the country. Already astounding revelations have been made, and even before a report has been made reforms are in progress. When final report is submitted to the Attorney-General, if there is shown to be any ground for criminal prosecution, the Government will take active steps.

NOME RETAIL GROCERS' ASSOCIATION.

The Government's prosecution of the trusts has extended even to far-away Alaska. Complaint was made that there was a combination known as the "Nome Retail Grocers' Association," which had fixed prices and suppressed competition. The Government took action, won a decree in its favor against the combination, and the Attorney-General is advised that the effect has been very salutary.

HAWAIIAN BEEF TRUST AND LUMBER TRUST.

The Government went to the relief of the citizens of Hawaii, who complained against a meat and a lumber trust, and entered several suits. The mere beginning of the suits resulted in the lowering of prices, although the cases have not been decided.

TERMINAL RAILROAD ASSOCIATION OF ST. LOUIS.

In Missouri suit has been brought against the Terminal Railroad Association of St. Louis, the St. Louis Merchants' Bridge Terminal Railroad Company, the Wiggins Ferry Company, and others, in which it is sought to free interstate traffic from an alleged combination to operate the Eads Bridge and the Merchants' Bridge as a common agency of interstate commerce and to suppress competition between these bridges and the ferries. It is alleged that the defendants are monopolizing the interstate transportation across the Mississippi River and into St. Louis. The Government is prosecuting these cases vigorously.

JACKSONVILLE WHOLESALE GROCERS' ASSOCIATION.

In Florida the Government is seeking an injunction against the Jacksonville Wholesale Grocers' Association. Complaint was made by consumers, and the Department has taken up the case with vigor.

THE FERTILIZER TRUST.

A Federal grand jury sitting in Tennessee has returned an indictment against the fertilizer trust, comprising thirty-one corporations and twenty-four individuals. The fifty-five defendants controlled the field in nine Southern States for the sale of fertilizers indispensable to all engaged in raising cotton. Their combination was so effective that the price of different grades was raised on an average of $2.50 a ton. These cases have taxed the resources of the Department to the utmost. The great combinations conduct their business secretly, with the aid of skilled legal advice, and their operations cover an extensive field.

THE SUGAR REBATE CASES.

In New York recently indictments were returned against the American Sugar Refining Company, New York Central and Hudson River Railroad Company, and several individuals. The charge was made that rebates amounting to hundreds of thousands of dollars have been often given to the sugar company to aid it in its fight with the farmers who are conducting the struggling industry of producing sugar from beets. When the sugar trust wanted to overcome the competition of the farmer, wanted to lay such stress upon him that he would give up the contest in despair and dispose of his property to the monopoly, it went to the railroads and borrowed a club with which it clubbed the farmer to death. The grand jury did not complete its investigation, but when it adjourned published a recommendation to its successor that it take up the work.

COAL CARRIERS' CASES.

Proceedings were instituted in 1903 in behalf of the Interstate Commerce Commission against the Chesapeake and Ohio Railroad Company and the New York, New Haven and Hartford Railroad Company. The Chesapeake and Ohio was engaged in the carriage of coal between West Virginia and Newport News, Va., for delivery to the New York, New Haven and Hartford in Connecticut, and the traffic was being moved at less than the published rates, and in such a way as to produce a discrimination in favor of the New Haven road and against others. The Chesapeake and Ohio made a verbal agreement with the New Haven road to sell to the latter 60,000 tons of coal, to be carried to tide water and thence by water to Connecticut, for delivery to the buyer, at $2.75 per ton. The price of the coal at the mines where the Chesapeake and Ohio bought it and the cost of transportation from Newport News to Connecticut aggregated $2.47 per ton, thus leaving to the Chesapeake and Ohio only about 28 cents per ton for carrying the coal from the mines to tide water, while the published tariff for like carriage for private shippers was $1.45 per ton.

The court held that the contracts amounted to undue discrimination and enjoined the Chesapeake and Ohio from continuing the contract. Afterwards the Interstate Commerce Commission requested that the injunction be expanded to command the Chesapeake and Ohio perpetually to observe, in the future, all published rates. From the decision of the trial court an appeal was taken to the United States Supreme Court, and February 19, 1906, the latter court held that the injunction should be enlarged by perpetually enjoining the Chesapeake and Ohio from taking less than the rates fixed in its published tariff of freight rates for the carriage of coal.

This is a very important decision. Under it a railroad can not, by choosing to be a dealer, favor one customer over another. The intent of the law is to secure equal rates to all in a like situation, and to destroy favoritism.

UNJUST CLASSIFICATION.

Proceedings were instituted in Ohio in July, 1904, in behalf of the Interstate Commerce Commission against the Cincinnati, Hamilton and Dayton Railway Company, the Pittsburg, Cincinnati, Chicago and St. Louis, the Pennsylvania Railroad, the Cleveland, Cincinnati, Chicago and St. Louis, the Lake Shore and Michigan Southern, the New York Central and Hudson River, and the Baltimore and Ohio.

The court, on November 25, 1905, enjoined the defendants from violating the order of the Interstate Commerce Commission with respect to unjust classification of the commodity involved.

DISCRIMINATORY AND UNJUST RATES.

June 17, 1905, a bill in equity was filed in Louisville against the Illinois Central and several other railroads for discrimination and unreasonable rates. This case is still pending.

July 15, 1905, a bill in equity was filed in the northern district of Mississippi against the Mobile and Ohio Railway for the purpose of preventing discrimination in freight rates. This case is still pending.

ACCEPTING REBATES.

An indictment was returned in October, 1905, in the western district of Kentucky against Szorn & Co. for accepting rebates in violation of the Elkins law. The defendants pleaded guilty and were fined $3,075.

October 13, 1905, two indictments were returned in the western district of Kentucky against Charles Wells and Hollis H. Price, charged with conspiring to make false weights and reports of weights of articles of interstate commerce. Price was fined $1,025. The case against Wells was continued.

EVADING PUBLISHED RATES.

November 13, 1905, a petition was filed in the eastern district of Wisconsin against the Milwaukee Refrigerator Transit Company, the Pere Marquette Railway Company, the Missouri, Kansas and Texas Railway Company, the Erie Railway, the Chicago, Rock Island and Pacific Railway Company, the St. Louis and San Francisco Railway Company, the Wisconsin Central, the Chicago and Alton, and the Pabst Brewing Company.

It is alleged that the Pabst Brewing Company is a large shipper of beer and the Milwaukee Refrigerator Transit Company is a transportation company owning and operating private cars, to which was given the control of the shipments of the brewing company by contract; that some of the principal stockholders of the brewing company were the controlling owners of the transportation company, and that while the full published rate was paid to the railroads they returned to the transportation company, by way of commission, 12 per cent of the gross freight rates.

The Government claims that this transaction was in effect a device whereby the property was transported for less than the published rates. A demurrer was overruled and, therefore, the Government's legal action sustained. Since then a decree in favor of the Government has been entered, after full argument.

INDICTMENTS FOR RATE CUTTING.

July 1, 1905, indictments were returned in the northern district of Illinois against three officials of the packing house of the Schwarzchild & Sulzberger Company (believed now to be an independent concern, not in the beef trust), charging a conspiracy to obtain freight traffic at less than the published rates.

To these indictments the defendants severally pleaded guilty, and were sentenced to pay fines aggregating $25,000, with which sentence they have complied.

REBATES AND REFUNDING PASSENGER FARES.

December 13, 1905, an indictment was returned in the northern district of Illinois against the Chicago and Alton Railway Company, John N. Fairthorn, and Fred. A. Wann, for giving rebates on dressed meats and packing-house products shipped from Kansas City, Kans., to Chicago and eastern points by the Schwarzchild & Sulzberger Company and for refunding passenger fares paid by the officials of that company for traveling over the Alton road. Special pleas in bar to the indictment were filed, to which the Government interposed demurrers, which were sustained. This case is now pending.

INDICTMENTS FOR REBATING.

December 15, 1905, indictments were returned in the eastern district of Missouri against a number of railroad companies and individuals, charging them with violations of the Elkins law in the demanding and receipt of rebates. Some companies in the beef trust were made defendants in these cases. Several indictments were found and convictions ensued in the cases of several individuals. The United States will ask the court to impose a sentence of imprisonment against the individuals and fines against the corporations.

December 29, 1905, an indictment was returned in the northern district of Illinois against the Chicago, Burlington and Quincy Railway Company, D. Miller, and Claude G. Burnham for giving rebates in violation of the Elkins law.

To this indictment the defendants entered pleas of guilty, and fines aggregating $60,000 were imposed by the court.

Three other important cases in this same category have been brought, one against the Suffolk and Carolina Railway Company, another against the New York Central and Hudson River Railroad Company, and another against the Delaware and Hudson Company for giving rebates, and are now pending.

SUSTAINING THE COLORED MAN'S RIGHTS AND PROTECTING THE COLORED MAN'S LIBERTIES.

Under the present Republican Administration the Government, through the Department of Justice, has taken action in the Federal courts, winning out at last in the United States Supreme Court, which will go further toward protecting the rights and liberties of the colored people in the Southern States than anything that has happened since the civil war.

Complaint was made to the Federal authorities that throughout the South a practice existed under what is known as the "peonage statutes," by which men were held to labor for a debt. In almost all the cases the victims were colored men. Practically they were held in slavery, for means were found to keep them from getting free of debt, and as long as they remained in debt, they were virtually in bondage to their creditors. Investigation of the complaints revealed some most atrocious and heartrending cases of cruelty and practical slavery that almost rivaled the days before the war.

The Government took quick action. The first case which was tried was argued in March, 1905, although prior thereto several hundreds of indictments had been returned. Action on these indictments was suspended awaiting the determination of the case of Clyatt *v.* The United States, brought under the thirteenth amendment to the Constitution.

The state of peonage, in which many persons were held, consisted in holding a man by compulsion to labor for a master to whom the peon owed a debt. Creditors compelled debtors—usually colored men—to work out their debts. The custom was very prevalent, and had its origin in the United States when the Territory of New Mexico was acquired.

The Government contended that compulsory service of this kind was, in fact, a form of involuntary servitude and therefore forbidden by the thirteenth amendment to the Constitution, which was passed, under the auspices of the Republican party, to give the negro his rights. It was also insisted that the amendment gave Congress the power to enact laws which should punish individuals who, not acting under State authority, attempted, with particular reference to this case, to hold or return persons into a state of peonage. The Supreme Court held that the Government's contentions, which were personally argued by the Attorney-General, were well founded; and, though the particular offenders in this special case escaped because the court held that the record did not contain sufficient evidence to justify their conviction, the effect has been most salutary.

An authoritative exposition of the law was obtained, and no person within the jurisdiction of the United States can be hereafter compelled by individuals to work out a debt as a peon. Following this decision the other indictments were pressed, and the result is that this form of involuntary servitude is being stamped out.

After this decision the Attorney-General personally argued another case involving the interpretation of the same amendment. In this it was found that a number of men had conspired to prevent some colored men, who were at work at a lumber mill, from performing their contract. The colored men were driven away from their work by armed force and intimidation, and these acts of violence were committed against them because of their race. The Government contended that to deprive a man of any measure of his right to work solely for the reason of race prejudice is an interference with the right of freedom guaranteed by the Constitution.

The court decided that the Government could not punish, but undoubtedly the States may punish such intimidation. Two justices of the Supreme Court, Mr. Justice Harlan and Mr. Justice Day, were of the opinion that the Government ought to punish.

GOVERNMENT HELPS RAILROAD MEN.

One of the most important cases which the Government of the United States, under the Republican administration, has fought successfully in the courts was the case of Johnson, an employee of the Southern Pacific Railroad Company, against that company for damages under the safety-appliance law. Johnson fought his case through the lower courts and was getting the worst of it, when his money gave out. An appeal was made to the Government, and the Department of Justice took up the case and carried it to successful issue in favor of Johnson before the Supreme Court of the United States.

The decision set a hard and fast rule in certain cases of personal injury, from which there can be no appeal, and which should operate in the future to enable every railroad man who receives injuries under the peculiar circumstances which prevailed in this case to make an appeal successfully for damages.

This was an action for personal injuries sustained by the plaintiff Johnson while engaged in coupling an engine to a dining car. The railway company is an interstate carrier and was alleged to be liable for damages under the safety-appliance law passed by Congress, which provides, in substance, that interstate carriers must equip their cars with automatic couplers which shall couple by impact. The engine and car were each fitted with automatic couplers, but, being of different makes, they failed to couple, and when the plaintiff went between the engine and the car to couple them he received his injuries.

Johnson was unsuccessful in the circuit court, and also in the circuit court of appeals, whereupon he filed a petition for a writ of certiorari in the Supreme Court, which was granted.

Owing to the great importance of the case to railway employees, the Government took an almost unprecedented step and obtained leave to intervene to argue the question relating to the proper construction of the remedial legislation of Congress.

The Government contended that an engine is a car within the meaning of the law, and that the law is not satisfied unless the automatic couplers couple by impact. An amendment to the law has passed since this case arose, making it clear that engines must have automatic couplers. This act, the Government contended, was merely declaratory of the intent of the first act. There was a further question in the case as to what constituted an interstate car, which the Government argued. The defendant contended that the dining car, because it was not en route, but was upon a siding, although ready for use and about to be used, was not an interstate car. The Government, on the other hand, contended that a car regularly employed on interstate journeys does not lose its character because it is temporarily delayed.

The Government's contention received the unanimous approval of the court, and Johnson won his case.

Not content with this, the Government went further, and the Attorney-General issued a letter of instruction to all United States attorneys, in which he said:

It does not appear that any question can now arise as to the proper interpretation of the law, since this decision apparently settles every disputed point.

And the United States attorneys were informed that "the Government is determined upon the strict enforcement of these statutes," and they were instructed to pay particular attention to all cases of their violation brought to their attention by the Interstate Commerce Commission or its inspectors or by other persons.

Later, in the case of The United States *v.* The Southern Railway Company, the law was still more clearly interpreted and further strengthened. A strong point of this decision was that the exercise of reasonable care or due diligence on the part of the railway company is no defense to an action brought to recover the penalty for violation of the safety-appliance laws of 1893 and 1896.

In both of these decisions it was strongly emphasized that the purpose of the law was to protect the lives and limbs of men, and that it will be so construed by the courts as to accomplish that purpose. What the law plainly requires is the equipment of cars with couplers which will automatically couple with each other, so as to render it unnecessary for men to go between the cars either to couple or uncouple.

These decisions have enabled the Government to obtain an effective enforcement of the law in practically all cases, and have brought about a vast improvement in conditions throughout the country. Since the decision against the Southern Railway Company no case has been contested in the courts. The carriers prefer to confess judgment and pay the penalty in cases of violation rather than to stand the chance of adverse judgment on a trial.

As a result the Interstate Commerce Commission have been able to secure the observance of a rule, practically in operation throughout the country, whereby the different carriers are required to refuse to accept interstate cars in exchange unless the safety appliances are in proper condition.

Another beneficent phase in this case for the railroad men is that the intervention of the Government and the decision of the court is warning to the railroad companies that the Government is looking out for the interests of the employees under this law.

SOME NATIONAL-BANK CASES.

The Government has been very vigilant in enforcing the national banking laws. Under this Administration several important cases have been tried.

In the eastern district of Pennsylvania Henry Lear was indicted, charged with misapplication of the funds of the Doylestown National Bank, and was sentenced to five years in the penitentiary. He sued out a writ of error, and the case is now pending.

In Wisconsin Frank G. Bigelow was charged with misapplying the funds of a national bank at Milwaukee, and was sentenced to ten years in the penitentiary.

M. C. Palmer, of New York, was charged with the misapplication of funds of a national bank while acting as its president, and was sentenced to five years at Albany.

The celebrated Cassie Chadwick case in Ohio was prosecuted by the Government, and the defendent was sentenced to a term of ten years in the Ohio penitentiary for conspiracy in the misappropriation of the funds of the Citizens' National Bank of Oberlin, Ohio.

Arthur B. Speer was jointly indicted with Cassie Chadwick and was sentenced to seven years in the penitentiary.

In the northern district of Iowa, W. E. Brown, a national-bank official, was indicted for violation of the national-bank laws. He was sentenced to five years in the penitentiary.

Mr. BURGESS. Mr. Chairman, it is my purpose to discuss the tariff in the light of two recent expressions which seem to have taken a permanent place in our political literature. One owes its popularity to the present President of the United States, the other to the late distinguished Senator Hanna. One has a specific, the other a general reference to the tariff revision and reduction.

In my judgment (and I welcome the fact), we are leading up in the coming Congressional and Presidential elections to another great tariff trial to be submitted to the American voters for their decision at the ballot box. I wish to style and state this case, to enter an appearance for the plaintiff, introduce some evidence, and argue the plaintiff's side of the case. I wish to state the case as Square Deal *v.* Stand Pat. This Square Deal, politically, at least in the form of expression, is the child of President Roosevelt. It is true that of late he has not given much attention to this particular child on the tariff subject, but he may be justly excused because he has been so busy strenuously discharging the duties of stepfather to numerous other Democratic children; but after a while he may be expected to give some attention to this. [Applause on the Democratic side.] That is notably the case with the railroad rate regulation child; and there are various other Democratic tendencies of your present President which we all gladly welcome. And I digress for a moment to state a simple truth, that whatever popularity your President has, he has it by virtue of the fact that he has gone over the heads of your leaders and your organization, and has appealed to the great common people and their democratic tendencies. You support these things not because you love Roosevelt, but dread the people.

Stand Pat, the defendant in this case, has a definite, fixed meaning. The stand-pat generals of this great army of stand-patters have had their day in court in this House, and I have picked out from the speeches of three of the ablest of these distinguished generals, the gentleman from Indiana [Mr. CHARLES B. LANDIS] and the two gentlemen from Pennsylvania [Mr. DALZELL and Mr. PALMER], what they have to say on the subject, what they mean by proudly boasting, as the gentleman from Indiana [Mr. CHARLES B. LANDIS] does, and as the distinguished gentleman from Ohio [Mr. GROSVENOR] has recently done, why they are stand-patters.

Stand pat was coined originally by Senator Hanna to express the bitter and determined opposition against any tariff legislation looking to a change in existing schedules of the Dingley bill. It is the relentless foe of any sort of reduction or revision of the tariff. The reason given for that opposition by Senator Hanna and echoed in this Chamber by every one of the stand-pat generals of the army of stand-patters is that the Dingley law produced the prosperity which the country has enjoyed since its enactment.

By the way of digression I want to say that the application of "army" to the crowd of stand-patters is singularly a proper one, for the army of stand-patters is the most magnificently equipped, the finest-disciplined and the amplest-provisioned army that the world ever saw [laughter and applause on the Democratic side], and it bears the exact relation to the people that every other army bears, namely, the cost of all this falls on the bowed backs of the plain people of the country.

Now, lest I should be accused of stating the cause of the defendant stronger than its advocates have, I wish to briefly read from the speeches delivered in the House by Mr. DALZELL May 24, Mr. LANDIS June 1, and Mr. PALMER June 2.

Mr. DALZELL, with that peculiar adroitness of which he is the master, says:

I have said sufficient to show what were the conditions that existed at the time of the adoption of the Republican national platform. With respect to the policies from which these conditions resulted that platform said, "We promise to continue these policies." That promise still abides with us, and we propose still to abide with it.

Further on, he says:

What constitutes national prosperity? Many things in combination. The magnitude of a nation's commerce, the supremacy of its manufactures, the wealth of its agriculture, coincident with enlarged markets for the consumption of its products at remunerative prices, the general employment of its citizens at an adequate wage, and withal a sound credit and the universal contentment of its people. Neither alone nor in combination did these things exist when the Wilson-Gorman bill was in process of enactment, or subsequent thereto.

All of them have existed since the passage of the Dingley law, did exist when the Republican platform was adopted in 1904, and all of them exist in an enlarged degree to-day. [Applause on the Republican side.] It is not necessary to our contention to claim that these things are wholly the fruits of protection, although they are in large part. Sufficient for us to know that they coexist with protection, and the lesson they teach us is to let well enough alone.

Note the shrewdness of "in large part" and "sufficient for us to know."

But Mr. PALMER, with that bluntness which is characteristic of this singularly able and honest man, said boldly:

Prosperity in "good measure pressed down, shaken together, and running over," came to the country under the Dingley bill.

Further on, he says:

Shall we stand by the doctrine of protection to American labor and American industry, which assures work and wages to our working men and women and prosperity for all our people?

Further on, he says:

The Republican party renews its allegiance to the doctrine of protection. It is the bulwark of our industrial independence and the sure foundation of the prosperity of our people.

Mr. LANDIS says:

I am a Republican. I am an advocate of a high protective tariff. [Applause on the Republican side.] I am what might be known in the nomenclature of the day as a stand-patter [applause], and responsive to the benignant smile of my friend from Massachusetts [Mr. MCCALL], I will say that I am one of those who believe in letting well enough alone. I still have faith and confidence in the Dingley law.

Ah, I would say to my friend from Mississippi [Mr. WILLIAMS], that if I were a southerner, I would have faith in the Dingley law, because I would know that it had lifted my section from the slough of despondency and enabled me, both in agriculture and manufacturing, to become a rival boaster of the Yankee. Why, if I were a Democrat, I would have faith in it—the faith of blind fate, if nothing else. [Applause.]

I still have faith in the Dingley law. [Applause.] I have faith in it as a Member of Congress because I see it sending a continuous stream of revenue into the National Treasury, because it has made our people prosperous and happy.

I want it known that I appreciate the present progress and wealth and development and achievement, that I believe that Senator Hanna's advice is still good, and I am willing to let well enough alone.

Now, I wish to affirm with reference to this underlying reason for "stand pat" three propositions: That this statement that protection produced prosperity is, first, false in theory; second,

that it is false in fact, and, third, that it is pernicious in its teaching and effect.

The theory that prosperity, general and permanent, can be produced by legislation on any subject is a startling doctrine, not worthy of consideration for a moment by any sincere, thoughtful, well-informed man. That centuries ago was the dogma of despotism; it was doctrine of the divine right of kings that "we make our children happy and prosperous." It has no place in any true economic theory of development of any country, and especially when under such a Constitution and in such a condition as ours.

It may be granted fairly that legislation may promote prosperity, but it never can produce it, and the very gentlemen who now so strenuously talk it ten years ago were the very men that sounded the bugle note all over this Republic on the money question, that you can not make value by law, that you can not create prosperity by legislating an increase in the volume of money regardless of intrinsic value. I was one, though a Democrat, who agreed with that proposition, and I abide in the faith still, and it is as applicable to the tariff as it is to any other phase of legislation. You can not produce prosperity by law any more than you can produce dogs and cats by law. It does not come in that way. It is a great natural, universal process through which prosperity must come. It does not come down from the Government to the people. It does not come from the hands of kings, or courts, or legislatures, or parliaments. No; it comes by the blessing of God in soil, in season, and the industry and intelligence of mankind combined. In this country peculiarly prosperity is a great hybrid, born of the gift of God in soil and season, and of the energy, the industry, the tireless will and intelligence of the American citizens, the greatest the world has ever known, and especially those who till the soil and work the mines and attend the ranches of the country. Prosperity, my countrymen, is a natural product, born of conditions which can not be produced by any party or any government that exists, that has ever existed, or that will ever exist. The truth is, a country, teeming with potent forces and great resources like ours, must and will be prosperous, in spite of who is President and who occupies the legislative halls. The worst you can do as Republicans and the worst you have done is to retard prosperity. You may by legislation divert from its general, universal, and wide avenues part of the prosperity, channelize it and localize it and benefit an individual, a class, or a section. You can do that by protection, as you can by various other forms of legislation, but you can not produce a general, universal, and permanent prosperity by protection, or by any other sort of legislation.

Mr. CAMPBELL of Kansas. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. BURGESS. I yield this time, and then I give notice that I shall not yield further, because in forty-five minutes' time I will be crowded to say what I want to say. Now I yield.

Mr. CAMPBELL of Kansas. I simply wanted to know right in this connection, if the gentleman could answer, why, under the last two Democratic Administrations in this country, in which the Democratic party had full control of the Government, under a low tariff, neither God nor nature contributed to the prosperity of the American people, and they had no prosperity?

Mr. BURGESS. I can not be diverted from my present line of argument to enter into a discussion of ancient history. That has been done by many gentlemen here, and it was long ago exploded that the adversity which followed the election of Grover Cleveland was produced by anything then done. It grew out of great natural causes, breeding even under Harrison's Administration, and for which his Secretary of the Treasury was preparing before he went out. I guess the gentleman has heard of the plates and knows about the situation. [Applause on the Democratic side.]

Now, let me go on. I say that the theory that protection produces prosperity is false in fact. That is the real point, and I say that is the point to which no stand-pat gentleman who has issued his proclamation in this House has addressed himself. I defy you to find a single stand-pat speech made in this House which attempts to give the philosophy which connects the alleged effect and cause. It is a bold, bare, brazen assumption from the assertion that you were in power and passed the Dingley law and the country has since been prosperous, that therefore protection produced the prosperity. "The day broke because the cock crew," as Savoyard says. You have attempted to give no facts that by any process of reasoning can constitute links between the Dingley law and your control and the prosperity that has continued in the country during the last ten years. I shall attempt to take the negative and to prove, out of the mouths of three Cabinet officers of the present Administration, that the converse of the proposition is true; that the real sources of our prosperity are in accord with my theory of how it has been and must always be produced. The first document I shall introduce in evidence in proof of that contention is the report of the Secretary of Agriculture, Mr. Wilson, for 1903, in which he sums up what made our country prosperous, what paid the foreign bondholders, what extinguished our foreign indebtedness, what lifted the mortgages from the farms all over this land from Maine to Kansas, what changed this nation from a debtor to a creditor nation, what gave birth, under God, to a new industrial and commercial era. Every fact stated shows that it bears no relation whatever to the tariff.

Let me read you what he says. You will find this on page 8 of the report of the Secretary of Agriculture for the year 1903, and I guess he will never write another one like this. He does not discuss this proposition in any of the subsequent reports. It is too good a Democratic document. He says:

> The consumption of cotton in this country is now greater than that of any other country, and yet the cotton planters of the South not only supplied this market last year, but exported a surplus of 3,569,000,000 pounds, valued at $317,000,000, or for every working day in the year about 12,000,000 pounds, worth more than $1,000,000.
>
> Represented in value, the exports of grain and grain products had about two-thirds the importance of cotton in the last fiscal year, the value of the export being more than $221,000,000. From 46,000,000 acres of wheat there was a surplus for foreign mouths amounting to 114,000,000 bushels and 20,000,000 barrels of flour, amounts that together represent 204,000,000 bushels of wheat.
>
> Third in importance are the exports of meats and meat products, with a grand total of $178,000,000, to which may be added $35,000,000 for live animals. Quantities that are beyond the grasp of the mind represent the exports of meats and their products. The pounds of beef were 385,000,000; of pork, 551,000,000; of lard, 491,000,000; and of oleo oil, 126,000,000.
>
> The foregoing figures, it should be borne in mind, do not stand for the total production of the farms, but for the surplus production after the wants of the people at home have been satisfied.
>
> THE FARMER'S BALANCE OF TRADE.
>
> The immense exports from the farms of the country lead to an examination of the so-called "balance of trade." This examination reveals what seems to have escaped the attention of the public, and that is, that the favorable balance of trade, everything included, is due to the still more favorable balance of trade in the products of the farm.
>
> During the thirteen years 1890–1902 the average annual excess of domestic exports over imports amounted to $275,000,000, and during the same time the annual average in favor of farm products was $337,000,000, from which it is apparent that there was an average annual adverse balance of trade in products other than those of the farm amounting to $62,000,000, which the farmers offset and had left $275,000,000 to the credit of themselves and the country.
>
> Taking the business of 1903, the comparison is much more favorable to the farmers than during the preceding thirteen-year period, since the value of domestic exports over imports was $367,000,000, the entire trade being included, while the excess for farm products was $422,000,000, which was sufficient not only to offset the unfavorable balance of trade of $56,000,000 in products other than those of the farm, but to leave, as stated above, the enormous favorable balance of $367,000,000.
>
> During the last fourteen years there was a balance of trade in favor of farm products, without excepting any year, that amounted to $4,806,000,000. Against this was an adverse balance of trade in products other than those of the farm of $865,000,000, and the farmers not only canceled this immense obligation, but had enough left to place $3,940,000,000 to the credit of the nation when the books of international exchange were balanced.
>
> These figures tersely express the immense national reserve-sustaining power of the farmers of the country under present quantities of production. It is the farmers who have paid the foreign bondholders.

The Secretary is from Iowa. He may agree with Cummins and that may account for this statement, but I am inclined to think that out of a real love of the farmers he wrote this and thoughtlessly struck the "stand-pat" doctrine a blow. And he gives the three great products which make up this trade—meat products, wheat, and cotton. Every one of those goes out into the markets of the world, as every man knows, unaffected by any tariff legislation.

Mr. GROSVENOR. What year was that report?

Mr. BURGESS. The report was 1903, page 8.

Mr. GROSVENOR. Has the price of farm products anything to do with that?

Mr. BURGESS. Well, of course if we gave them away we would not have gotten money for them. You certainly know that. But I shall not rest the case with the Secretary of Agriculture. I shall include in my remarks three tables furnished me in a letter of January 8 by the present Secretary of the Department of Commerce and Labor, and all through I have endeavored to confine the evidence I shall offer to the period covered by your complete control under the Dingley law. These tables show, first, merchandise imported and exported. the annual cost of exports over imports from 1896 to 1905. The next table shows the same grouped according to sources of production exported for the same years, and the next table gives the different sources of agricultural exports, of manufactured exports, and a comparison of each. I shall have occasion later on to refer to the last table, which shows the per cent of manufacturing exports for each year.

Merchandise imported and exported, and the annual excess of imports or of exports, 1888 to 1905—Specie values.

Year ending June 30—	Exports.			Imports.	Total exports and imports.	Excess of exports over imports.	Excess of imports over exports.
	Domestic.	Foreign.	Total.				
1888	$683,862,104	$12,092,403	$695,954,507	$723,957,114	$1,419,911,621		$28,002,607
1889	730,282,609	12,118,766	742,401,375	745,131,652	1,487,533,027		2,730,277
1890	845,293,828	12,534,856	857,828,684	789,310,409	1,647,139,093	$68,518,275	
1891	872,270,283	12,210,527	884,480,810	844,916,196	1,729,397,006	39,564,614	
1892	1,015,782,011	14,546,137	1,080,278,148	827,402,462	1,857,680,610	202,875,686	
1893	831,030,785	16,634,409	847,665,194	866,400,922	1,714,066,116		18,735,728
1894	869,204,937	22,935,635	892,140,572	654,994,622	1,547,135,194	237,145,950	
1895	793,392,599	14,145,566	807,538,165	731,969,965	1,539,508,130	75,568,200	
1896	863,200,487	19,406,451	882,606,938	779,724,674	1,662,331,612	102,882,264	
1897	1,032,007,603	18,985,953	1,050,993,556	764,730,412	1,815,723,968	286,263,144	
1898	1,210,291,913	21,190,417	1,231,482,330	616,049,654	1,847,531,984	615,432,676	
1899	1,203,931,222	23,092,080	1,227,023,302	697,148,489	1,924,171,791	529,874,813	
1900	1,370,763,571	23,719,511	1,394,483,082	849,941,184	2,244,424,266	544,541,898	
1901	1,460,462,806	27,302,185	1,487,764,991	823,172,165	2,310,937,156	664,592,826	
1902	1,355,481,861	26,237,540	1,381,719,401	903,320,948	2,285,040,349	478,398,453	
1903	1,392,231,302	27,910,377	1,420,141,679	1,025,719,237	2,445,860,916	394,422,442	
1904	1,435,179,017	25,648,254	1,460,827,271	991,087,371	2,451,914,642	469,739,900	
1905	1,491,744,641	26,817,025	1,518,561,666	1,117,513,071	2,636,074,737	401,048,595	

Values of domestic merchandise, grouped according to sources of production, exported from 1896 to 1905.

Year ending June 30—	Exports of domestic merchandise other than manufactures.[a]												Exports of domestic manufactures.		Total exports of domestic merchandise.
	Agriculture.		Mining.		Forest.		Fisheries.		Miscellaneous.		Total.				
	Values.	Per ct.	Values.	Per ct.	Values.	Per ct.	Values.	Per ct.	Values.	Per ct.	Values.	Per ct.	Values.	Per ct.	Values.
1896	$569,879,297	66.02	$20,045,654	2.32	$33,718,204	3.91	$6,850,392	0.79	$4,135,762	0.48	$634,629,309	73.52	$228,571,178	26.48	$863,200,487
1897	683,471,139	66.23	20,804,573	2.01	40,489,321	3.92	6,477,951	.63	3,479,228	.34	754,722,212	73.13	277,285,391	26.87	1,032,007,603
1898	853,683,570	70.54	19,410,707	1.60	37,900,171	3.13	5,435,483	.45	3,164,628	.26	919,594,559	75.98	290,697,354	24.02	1,210,291,913
1899	784,776,142	65.19	28,156,174	2.34	42,126,889	3.49	5,992,999	.50	3,286,872	.27	864,339,076	71.79	339,592,146	28.21	1,203,931,222
1900	835,858,123	60.98	37,843,742	2.76	52,218,112	3.81	6,326,620	.46	4,665,218	.34	936,911,815	68.35	433,851,756	31.65	1,370,763,571
1901	943,811,020	64.62	39,207,875	2.68	54,317,294	3.72	7,683,353	.53	4,510,740	.31	1,049,530,282	71.86	410,932,524	28.14	1,460,462,806
1902	851,465,622	62.83	39,216,112	2.90	48,188,661	3.55	7,705,065	.57	5,265,000	.38	951,840,460	70.23	403,641,401	29.77	1,355,481,861
1903	873,322,882	62.73	39,311,239	2.81	57,835,896	4.16	7,805,538	.56	6,429,588	.46	984,705,143	70.72	407,526,159	29.28	1,392,231,302
1904	853,643,073	59.48	45,981,213	3.20	68,906,956	4.80	8,543,676	.60	5,688,178	.40	982,763,096	68.48	452,415,921	31.52	1,435,179,017
1905	820,868,805	55.03	50,968,052	3.42	62,122,378	4.17	7,241,025	.48	6,941,806	.46	948,136,666	65.56	543,607,975	36.44	1,491,744,641

[a] The group "Other than manufactures" embraces substantially all articles crude or only slightly enhanced in value by manufacture.

Value of cotton, provisions and live animals, breadstuffs, and of all other agricultural products, and total agricultural products exported in each fiscal year from 1896 to 1905, also value of exports of manufactures for the same period.

Years.	Exports of agricultural products.						Exports of manufactures.	
	Cotton.	Provisions and live animals.	Breadstuffs.	All other agricultural products.	Total agricultural products.	Per cent of total domestic exports.	Value.	Per cent of total domestic exports.
1896	$190,056,460	$175,218,518	$141,356,993	$63,247,326	$569,879,297	66.02	$228,571,178	26.48
1897	230,890,971	182,221,196	197,857,219	72,501,753	683,471,139	66.23	277,285,391	26.87
1898	230,442,215	213,584,366	333,897,119	75,759,870	853,683,570	70.54	290,697,354	24.02
1899	209,564,774	213,389,524	273,999,699	87,822,145	784,776,142	65.19	339,592,146	28.21
1900	241,832,737	228,038,086	262,744,078	103,243,222	835,858,123	60.98	433,851,756	31.65
1901	313,673,443	249,018,513	275,594,618	105,524,446	943,811,020	64.62	410,932,524	28.14
1902	290,651,819	244,733,062	213,134,344	102,946,397	851,465,622	62.83	403,641,401	29.77
1903	316,180,429	214,620,907	221,242,285	121,279,261	873,322,882	62.73	407,526,159	29.28
1904	370,810,246	224,005,461	149,050,378	109,819,282	853,685,367	59.48	452,445,629	31.52
1905	379,965,014	216,727,154	107,732,910	116,438,325	820,863,403	55.03	543,607,975	36.44

It is sufficient to say with reference to these tables that they establish the truth of the contention set out in Secretary Wilson's report, and establish beyond controversy the fact that the growth and development of this country, as a matter of fact, in the last ten years did not grow out of a protective tariff. Who contends that cotton is aided in price by the protective tariff? Who contends that wheat is aided in price by a protective tariff? Who is there, with sense enough to rattle in a tobacco seed, who does not know that the European price of those two great staples fixes the American price, barring the manipulation of speculators at particular periods? Let us trace the source and progress of prosperity. Other countries have not sufficient products of their own to feed and clothe their people, and there is in foreign markets a demand for cotton, wheat, and meat. Our cotton, wheat, and stock raisers have produced a great excess above home consumption. What happens then? So much is produced as that not only 80,000,000 inhabitants of the United States are supplied, but an immense surplus is borne down the lines of railway to the sea, and into the holds of the vessels of the world, and by them carried into the markets of the world, under the banner, if you please, of absolute free trade, and in competition in the markets of the world with all these products.

In turn for these products the gold of Europe is poured in a great tide back into American homes. Then what happens? There is an increased capacity to buy on the part of those engaged in the production of these great products, and wherever there exists such an increased capacity on the part of the people to satisfy their needs or their desires more purchases occur. This people, thus blessed by soil and season and their intelligent industry, go about in the stores of the land and buy the various things they need to satisfy their wants or desires—aye, their fancies and whims—and retail trade, closest to and most dependent upon the people, rapidly responds to this birth of prosperity.

The retail dealers begin to buy, through drummers and by letters, of the wholesale houses. Wholesale houses, realizing the impetus to their trade, make larger drafts upon the manufacturer, and the manufacturer gets a move on him; the smoke begins to rush faster and higher out of the factory chimneys, and the railroads get busy, and all along the pathway thus described, from the field to the foreign market, back again, and from the home people to the manufacturer and back again, labor everywhere gets increased employment, and an added capacity to buy, predicated upon the original capacity to buy, occurs. And thus in an endless chain in God's ordained way prosperity rolls on unfettered and blesses the American people regardless of whether the President is named Grover Cleveland or William McKinley.

Prosperity comes to our country in no other way than this natural way, which augments the national wealth by the products of the soil. God made this country to feed the world, and keyed its potent forces upon its fertile soil and favorable climate. The American farmer, who plants in faith, cultivates in hope, and reaps in grace, is the uncrowned king of the world.

Long may he reign, unfettered to pour out his products into the markets of the world, to bless foreign nations, and to enrich his own.

Now, this was not the only cause of the gradually growing prosperity of this country. There was another one which cooperated with it, perhaps as potent in cooperation as any other factor could possibly be. I offer in evidence a table furnished me by the Secretary of the Treasury in a letter dated June 12, 1906, in which he gives me the kinds of money coined and issued and in general stock, and in circulation as well, July 1, 1896, and every succeeding year down to the present, with the tables attached, and which I shall incorporate in my remarks. That statement shows that in those ten years there have been added, in round numbers, to the circulating medium of this country in gold coin and certificates $698,000,000; in United States notes added in circulation, $150,000,000; in silver certificates, $138,000,000; in standard silver dollars, $26,000,000; in subsidiary silver coin, $50,000,000, and in national-bank notes, $330,000,000, showing an increase in the stock of coin issued of $863,000,000 and an increase in circulation of $1,234,000,000.

Statement showing the amounts of gold and silver coins and certificates, United States notes, and national-bank notes in circulation.

JULY 1, 1896.

	General stock coined or issued.	In Treasury.	In circulation.
Gold coin	$567,931,823	$111,803,340	$456,128,483
Standard silver dollars	430,790,041	378,614,043	52,175,998
Subsidiary silver	75,730,781	15,730,976	59,999,805
Gold certificates	42,818,189	497,430	42,320,759
Silver certificates	342,619,504	11,359,995	331,259,509
Treasury notes, act July 14, 1890	129,683,280	34,465,919	95,217,361
United States notes	346,681,016	121,229,658	225,451,358
Currency certificates, act June 8, 1872	31,990,000	150,000	31,840,000
National-bank notes	226,000,547	10,668,620	215,331,927
Total	2,194,245,181	684,519,981	1,509,725,200

JULY 1, 1897.

	General stock coined or issued.	Amount in circulation.
Gold coin [a]	$671,676,250	$519,146,675
Standard silver dollars	451,993,742	52,001,202
Subsidiary silver	75,438,884	59,228,540
Gold certificates	38,782,169	37,285,919
Silver certificates	375,479,504	358,336,368
Treasury notes, act July 14, 1890	114,867,280	83,905,197
United States notes	346,681,016	248,583,578
Currency certificates, act June 8, 1872	61,750,000	61,130,000
National-bank notes	231,441,686	226,410,767
Total	2,368,110,531	1,646,028,246

JULY 1, 1898.

	General stock coined or issued.	Amount in circulation.
Gold coin [a]	$765,735,164	$660,959,880
Standard silver dollars	461,996,522	57,259,791
Subsidiary silver	76,421,429	64,323,747
Gold certificates	37,420,149	35,820,639
Silver certificates	398,556,504	390,659,080
Treasury notes, act July 14, 1890	101,207,280	98,665,580
United States notes	346,681,016	286,572,329
Currency certificates, act June 8, 1872	26,605,000	26,045,000
National-bank notes	227,900,177	223,129,703
Total	2,442,523,241	1,843,435,749

JULY 1, 1899.

	General stock coined or issued.	Amount in circulation.
Gold coin [a]	$855,583,055	$702,060,459
Standard silver dollars	480,251,231	63,381,751
Subsidiary silver	76,746,179	70,675,682
Gold certificates	34,297,819	32,656,269
Silver certificates	406,085,504	401,869,343
Treasury notes, act July 14, 1890	93,518,280	92,605,792
United States notes	346,681,016	310,547,349
Currency certificates, act June 8, 1872	21,325,000	20,855,000
National-bank notes	241,350,871	237,832,594
	2,555,838,955	1,932,484,239

[a] Does not include gold bullion in Treasury amounting to $32,217,024.

Statement showing the amounts of gold and silver coins and certificates, United States notes, and national-bank notes in circulation—Cont'd.

JULY 1, 1900.

	General stock of money in the United States.	Money in circulation.
Gold coin (including bullion in Treasury)	$1,036,031,645	$614,918,991
Gold certificates		200,555,469
Standard silver dollars	490,618,052	66,429,476
Silver certificates		408,499,347
Subsidiary silver	82,901,023	76,294,050
Treasury notes of 1890	76,027,000	75,247,497
United States notes	346,681,016	316,614,114
Currency certificates, act June 8, 1872		3,705,000
National-bank notes	309,640,444	300,161,552
Total	2,341,899,180	2,062,425,496

JULY 1, 1901.

	General stock of money in United States.	Money in circulation.
Gold coin, including bullion in Treasury	$1,124,729,261	$630,407,728
Gold certificates		245,715,739
Standard silver dollars	520,062,537	66,587,893
Silver certificates		429,640,738
Subsidiary silver	90,490,289	79,700,088
Treasury notes of 1890	47,783,000	47,540,245
United States notes	346,681,016	332,468,013
Currency certificates, act June 8, 1872		
National-bank notes	353,821,502	345,206,836
Total	2,483,567,605	2,177,266,280

JULY 1, 1902.

	General stock of money in United States.	Money in circulation.
Gold coin (including bullion in Treasury)	$1,188,573,584	$629,271,532
Gold certificates		307,110,929
Standard silver dollars	539,987,093	68,621,718
Silver certificates		446,650,243
Subsidiary silver	96,856,985	82,814,940
Treasury notes of 1890	30,000,000	29,862,445
United States notes	346,681,016	336,265,855
Currency certificates, act of June 8, 1872		
National bank-notes	356,672,091	345,931,750
Total	2,558,770,769	2,246,529,412

JULY 1, 1903.

	General stock of money in United States.	Money in circulation.
Gold coin (including bullion in Treasury)	$1,252,731,990	$621,545,146
Gold certificates		379,043,889
Standard silver dollars	554,216,156	72,349,806
Silver certificates		455,079,538
Subsidiary silver	101,606,809	92,195,600
Treasury notes of 1890	19,243,000	19,109,670
United States notes	346,681,016	336,591,372
Currency certificates, act June 8, 1872		
National bank notes	413,670,650	400,408,189
Total	2,688,149,621	2,376,323,210

JULY 1, 1904.

	General stock of money in United States.	Money in circulation.
Gold coin (including bullion in Treasury)	$1,326,722,701	$646,586,319
Gold certificates		464,806,629
Standard silver dollars	560,083,544	71,561,684
Silver certificates		462,578,715
Subsidiary silver	106,164,848	94,603,028
Treasury notes of 1890	12,978,000	12,927,287
United States notes	346,681,016	334,491,977
Currency certificates, act June 8, 1872		
National-bank notes	449,235,095	433,595,888
Total	2,801,865,204	2,521,151,527

JULY 1, 1905.

	General stock of money in United States.	Money in circulation.
Gold coin (including bullion in Treasury)	$1,360,273,787	$655,976,787
Gold certificates		487,661,449
Standard silver dollars	558,791,217	73,680,659
Silver certificates		456,142,715

Statement showing the amounts of gold and silver coins and certificates, United States notes, and national-bank notes in circulation—Cont'd.

JULY 1, 1905—Continued.

	General stock of money in United States.	Money in circulation.
Subsidiary silver	$114,200,403	$100,748,837
Treasury notes of 1890	9,413,000	9,342,341
United States notes	$46,681,016	332,691,311
Currency certificates, act June 8, 1872		
National bank notes	495,719,806	480,472,336
Total	2,885,079,229	2,596,716,471

JUNE 1, 1906.

	General stock of money in United States.	Money in circulation.
Gold coin (including bullion in Treasury)	$1,466,921,374	$683,426,878
Gold certificates		513,803,789
Standard silver dollars	560,724,865	78,602,135
Silver certificates		469,663,586
Subsidiary silver	116,940,192	109,894,319
Treasury notes of 1890	7,504,000	7,477,218
United States notes	346,681,016	335,552,893
National bank notes	559,129,660	545,260,302
Total	3,057,901,107	2,743,681,120

By the way, not a dollar of that was coined by virtue of a protective tariff or as the result of any other Republican legislation.

Now, let me state a fundamental principle of the money question as to which Republicans and Democrats have always agreed. It is that the money system of this country shall rest upon intrinsic value coinage, and that every paper dollar shall be redeemable in such coined dollar, and that all the dollars coined or issued shall be equal in purchasing as well as debt-paying power. And no respectable Republican, or Democrat either, in the history of the country, ever denied either of those propositions. The differences which have arisen grow merely out of some proposed method of increasing or decreasing the money volume in accordance with these fundamental principles. Both parties have uniformly opposed fiatism—the Greenback party and the Greenback idea in all of its forms. Their national platforms show this. In principle there never was any difference among the leaders of Democratic thought on these matters with reference even to the silver question itself. The contention was, and the difference of opinion between Democrats was, as to whether by the method proposed these principles could be conformed to. Those of the Bland-Bryan school thought it could, and those of the Cleveland-Carlisle school thought it could not. There was no difference in principle, but a difference merely in judgment as to the effect of a law. The addition of this immense money volume has removed that question from controversy in the country among Democrats or between Democrats and Republicans. That is one of the reasons why you see men of all shades of thought on the money question, but holding to the fundamental principles that I have stated, uniting now in the proposed support of the same man that fought for free silver in 1896.

Let me announce one other proposition to which all men of this fundamental view on the money question have ever agreed. It is this: Granting that all the dollars coined and issued by the Government are equal in purchasing and debt-paying power with every other dollar, and that they rest on an intrinsic value coinage, and that the paper money is redeemable in such coined dollars, all men of that school of thought have ever agreed that, as you increase the volume in proportion to population and business, you increase price generally, and as you increase general prices you invite investment, stimulate enterprise, aid labor, and promote prosperity. That is exactly what occurred in the connection with the other facts I have stated—that throwing into circulation in ten years of $1,234,000,000, together with a vast balance of trade in our favor. Pouring money back into this country from Europe, wiping out our foreign obligations, adding to the demand for the manufactured articles, and an increased volume of money, causing the general rise in prices of stocks and bonds, in lands, and in every form of value, inviting investment, a tide of prosperity rolled over the land that I trust God may permit to continue. And these Republican boasters and claimers, who would claim anything on earth, and argue with effrontery, seized upon these gifts of God and claimed they produced them with their Dingley law. [Applause on the Democratic side.]

I want to state further facts from the Secretary of the Treasury which confirm these contentions, and they are the national-bank statistics of the country. Now, think a minute. This is another proposition about which there is no party difference among sensible men. We are all agreed that one of the best evidences of the continued and permanent prosperity of a section or a State is the showing made by its bank capital and surplus, and especially their individual deposits. Now, I will introduce in evidence an article clipped from the Manufacturers' Record, which I submitted for correction and revision to Secretary Shaw, and which he returned to me in a letter, dated January 13, 1906, making slight corrections which do not affect the text. It is a long statement comparing the ratio and extent of development for twenty-five years in number, capital, surplus, and individual deposits of the South—the free-trade South, if you please—against all the rest of the country:

BANKING IN THE SOUTH—REMARKABLE PROGRESS MADE IN FINANCIAL GROWTH IN A DECADE.

[From Manufacturers' Record.]

The wonderful progress of the South is in no way better illustrated than by the enormous growth of its banking facilities. In 1880 there were 220 national banks in the entire South from Maryland to Texas, but now there are 1,221. In 1889 the national-banking capital in this section was only $45,598,000, now it is $126,037,000; and while twenty-five years ago the surplus of the South's national banks was only $9,000,000 and a few thousands over, it is now $50,257,000. National-bank deposits in the South have grown from $64,729,000 to over $469,032,000 within the same period.

But it is by comparison with the growth of the national-banking system in the entire country that the establishment of national banks in the South displays its conspicuous gains. The number of national banks in the entire country in 1880 was 2,090; now it is 5,757, an increase of 175.45 per cent; but the growth in the South from 220 to 1,221 national banks is an increase of 455 per cent. Furthermore, while the national-banking capital in the whole country advanced during those twenty-five years from $457,553,985 to $799,870,229, an increase of 74.79 per cent, the South's growth from over $45,000,000 to more than $126,000,000 of national-banking capital in the same time is a gain of 176.46 per cent; also the national-banking surplus in the whole country rose from over $120,000,000 to nearly $418,000,000, an increase of 246.63 per cent, but the national-banking surplus in the South, by going from $9,000,000 to over $50,000,000, displays an increase of 457.72 per cent. This shows the rapidity of southern advancement in a striking manner.

Not the least interesting feature of these statistics is the gain displayed by some States in the number of national banks therein. Mississippi, for instance, had no national banks in 1880—although thirteen years previously she had two—but in 1905 she had 25. The great State of Texas had 13 national banks a quarter of a century ago; now she has 440; Florida had only 2 then, but now 34; Virginia had 17, now 85; West Virginia had 17, but now 79; Georgia had 13, now 63; Alabama had 9, now 67. Both Maryland and Kentucky had each a comparatively large number of national banks in 1880, the former possessing 35, and to-day 89, while the latter then had 49, but now 124.

But most of the large gains in the number of national banks are clearly results of the act of March 14, 1900, authorizing the establishment of the national banks with less than $50,000 capital. For instance, on April 26, 1900, Texas had 200 national banks; now she has 440, as heretofore stated; Alabama had 28, now 67; Georgia 27, now 63; West Virginia on April 26, 1900, 36, now 79; Virginia 39, now 85; Kentucky on April 26, 1900, 75, now 124; Arkansas had 7, now 28; Louisiana on April 26, 1900, 20, now 35.

National-banking capital in the South rose from a total of about $45,500,000 in 1880 to nearly $92,500,000 in 1890, but in 1900 it had fallen back to about $86,500,000. Yet during the last five years it has risen from that comparatively low figure to over $126,000,000. But there has never been any halt in the gain of southern banking surplus. From $9,000,000 in 1880 it rose to $24,000,000 in 1890, and to $30,000,000 in 1900 and $50,000,000 in 1905. Undivided profits have gone up from below $4,000,000 in 1880 to nearly $12,000,000 in 1890, to more than $15,000,000 in 1900, and to nearly $27,000,000 in 1905.

Could any record of accomplishment be more impressive than this? Yet it must be remembered that in this quarter of a century deposits in southern national banks have increased from a total of $64,729,000 to a total of $469,032,328, which is a gain of very nearly 625 per cent. And it must furthermore not be forgitten that these statistics do not include the numerous private and State banks in the South, which number many more than the national banks therein, nor the trust companies, which also engage in banking, all of which classes of financial institutions are constantly growing in numbers and strength.

The increase in number of national banks in the whole country was 175 per cent; in the South, 445 per cent. The increase in capital in the whole country was 74 per cent; the increase in the South was 176 per cent. The increase in surplus in the whole country was 146 per cent, and in the South 457 per cent. But in order to make this more striking, I addressed a letter to the Comptroller of the Treasury, which was replied to on June 18, 1906, in which he gives a statement of the facts reduced to percentages for the ten-year period about which you boast. I have taken two distinctively agricultural States and two distinctively protective-tariff States of equal population. I have contrasted Texas and Massachusetts, Mississippi and Connecticut. I wish to say, in passing, that the significance of the immense figures disclosed here will be increased when you bear in mind the fact that 50 per cent of the population of Mississippi are colored people and do not have much surplus in the banks, and perhaps 25 per cent of the population of Texas are the same.

TEXAS.

	1896. July 14.	1906. April 16.	Increase.	Per cent.
Number of banks	209	461	252	120.57
Capital	$21,065,000	$33,173,120	$12,108,120	57.48
Surplus	5,209,440	11,227,265	6,017,825	115.50
Individual deposits	28,353,147	121,036,544	92,683,397	326.89
United States deposits	361,755	930,099	568,344	157.11

MISSISSIPPI.

Number of banks	10	24	14	140.00
Capital	$855,000	$2,870,000	$2,015,000	235.67
Surplus	391,875	1,047,300	655,425	167.02
Individual deposits	2,154,902	10,261,178	8,106,276	370.18
United States deposits	.....	139,875	139,875	.....

MASSACHUSETTS.

Number of banks	268	207	a 61	a 22.76
Capital	$95,417,500	$60,967,500	a $34,450,000	a 36.10
Surplus	30,076,491	30,636,525	560,034	1.86
Individual deposits	177,352,670	232,704,888	55,352,168	31.21
United States deposits	316,585	3,823,115	3,506,530	1,107.61

CONNECTICUT.

Number of banks	82	79	a 3	a 3.66
Capital	$22,391,070	$20,155,050	a $2,236,000	a 9.99
Surplus	7,813,815	8,902,500	1,088,685	13.93
Individual deposits	34,377,603	52,469,423	18,091,820	52.62
United States deposits	219,971	533,407	313,436	142.49

a Losses.

In Texas in ten years the increase in banks is 120 per cent; in capital in banks the increase is 157 and in surplus 115 per cent; and in individual deposits 326 per cent. [Applause on the Democratic side.] In Massachusetts there was a decrease of 22 per cent in number of banks, and 36 per cent in the amount of capital; 1 per cent increase in surplus, and 31 per cent increase in individual deposits. [Applause on the Democratic side.]

Take the State of Mississippi. Mississippi in the number of banks increased in ten years 140 per cent; capital, 235 per cent; surplus, 137 per cent, and in individual deposits, 370 per cent.

What about Connecticut? There was a decrease of 3 per cent in the number of banks; of 9 per cent in banking capital; an increase in surplus of 13 per cent, and in individual deposits, 52 per cent.

Now, gentlemen, when you talk about a protective tariff producing prosperity, I fling these facts in your teeth, and ask you to explain how it got so far from base. [Applause.] The application of your doctrine tests it. If protection produces prosperity, it will first spring into being where it is born and abide best there. If it produces prosperity, you must look for it where the States are that contain the factories. Yet, strange to relate, there is where you find strikes, labor seeking for employment—barred out by the occupation of the home market, with the stifling of competition by the trusts and monopolies organized under your accursed system. [Loud applause.] Down South, where there are no factories to be protected, under the blessings of God, of soil, and of season, enjoying the fruits of farm work, we will show you a country great, magnificent in advantages and strides of progress, of which not one is due to your system. [Applause.] But I have said this doctrine is pernicious in its teachings. First, it teaches an idea that is demoralizing and ruinous—the doctrine that men should look to law rather than to God and themselves for their industrial success. It teaches men of all classes to rush to the Government for every ill that afflicts them. It confesses that restricted competition increases the price by protection. How does it protect unless it increases the price, so that the manufacturer may prosper, that some of the profits may get into the hands of labor; that the home market may be strengthened? You admit that the blessings are in the manufacturers' hands at the start and filter down from this avaricious class to the great herd of common people below. Not only does it teach that false doctrine, but you have demoralized all the labor of the country, and now yourselves are engaged in a war with that very labor. You have misguided their intellect and aspirations and tendencies, and the question now is, whether you shall kick them out and refuse the demands they make and bar the door against them, or give them justice against the trusts and combines protection has produced and sustained in great profits.

You are up against it. I leave it to you to settle with labor. There is no trouble with a Democrat. He tells them the same old doctrine that has rung from every hilltop since the birth of the Republic. We know nobody as a class. We fight for political equality of all, under the banner of equal rights to all and special privileges to none. [Applause on the Democratic side.] We can do nothing for one man except what is right to do for every other man under like conditions. The Republican party may offer to trade with you. They are the great traders of the country. They will trade off anything on earth for votes. They will even trade off the sacred fund of the widows and orphans, piled up through the policy holders of the country, in order to get American votes.

But that is not all. This doctrine has led to what is now termed "practical politics," and that has led to graft. That has led to corruption in public life and out of it. That has led to the prostitution of every great business; to the purchase of legislation. If these protected men contribute vast sums to maintain the party in power that stands for that doctrine, the transition is easy for every corporation that wants governmental favoritism to pay the price and expect to get the goods. They have been doing it right along, and you all know it. You are in a desperate struggle now, after a long lease of power, under the effect of this doctrine, cleaning you stables. You have put many in the penitentiary, and God knows many ought to be there, and you know it, too, and the country is ready to follow the cry, "Reduce and revise the tariff, administer exact and equal justice, let us look at the books, nominate Bryan, and turn the rascals out." [Applause.]

Nothing could be more ruinous, my countrymen, than the idea that campaign funds can be contributed to maintain any sort of class legislation. It is wrong morally, and therefore fatal in political effect on a free and independent republic to raise a great cry about injury to a factory or injury to a bank, as the stand-patter talks, in order to scare these men into digging up and getting a campaign fund to elect his gang. [Applause on the Democratic side.] If you want to know the purpose of all this manifestation of stand-pat oratory, that is it. Not that the men who indulge in it are selling themselves. No; they are too high-minded politicians for that. They do not handle the dirty dollars. Others do that. They only raise the cry; they get up the scare; the goods are delivered to others; others do the work, and the game goes on.

But I want to turn now to say something for the plaintiff's case, Mr. Square Deal, so much neglected by his original daddy, in the discharge of his stepfather duties. What does "square deal" mean? It means equality for everybody; the same number of cards fairly dealt that every other player gets; the same rights in the game; an equal opportunity.

Everybody knows what a "square deal" means in a card game. It is a card-game expression for an old, elementary Democratic truth. Translated into statesmanlike language it means "equal rights for all and special privileges for none." No dealing cards from the bottom of the deck, no cold deck, no hand out to anybody, but a square deal. It is a Democratic child. I claim Democracy wherever I see it, even if portions of it ooze out of the White House at times. It is a good thing, coming from any direction. Now, let us apply it to the tariff, and it is a proposition for which the Democratic party has always stood. The truth is there never was but one fundamental Democratic principle. It applied to free speech and to free men at the beginning, when Jefferson wrote the Kentucky draft of his resolutions. It has applied to every piece of legislation from that day to this. It means that the cardinal rule in legislation is to legislate so that equal rights to all shall be the result of the legislation, and that no one shall get out of it any special privilege.

That is what is the matter with the tariff. Now, let us see if we do not get special privileges. I want to quote these distinguished orators again. Mr. LANDIS said in that speech in discussing the question of the surplus sale of foreign products:

> We needed the protective tariff, first, to enable us to build the factory. Now that we have the factory running, we need a protective tariff to protect the American market and the laborer who is working in this American factory; and we will continue to need it until the American laborer is willing to work for the low wages paid the foreign laborer.

Then he says:

> "Why, they are selling abroad cheaper than they are selling at home." Mr. Chairman, I say to you that that contention, which I do not deny, is to my mind the highest tribute that can be paid to the Dingley law. [Applause on the Republican side.] Under this Dingley law, which started all the factories that Democracy closed, we have builded thousands and tens of thousands of additional factories, and we have put them all into commission. We are consuming 92 per cent of all the products that they manufacture, and in addition to that we are meeting in the open market of the world all the manufacturers of Christendom, and we are underselling them—glory be it to the American name and to the Dingley law.

Mr. DALZELL says:

We have in this country, by reason of the skill of our workmen, by reason of our general prosperity, by reason of our inventive genius, by reason of our improved machinery, arrived at a period when we can make in this country on an average of nine months all that the country can consume in the year.

It is a plain business proposition whether or not we shall run the year around and sell all of our goods in any market, or whether we shall run nine months and close up our factories the other three. But that is not the only reason. Another reason is because, in order to gain a foothold in foreign markets, the price must be regulated so as to meet the price in the foreign market with which we come in competition. And another reason is because in our contest for entrance into the world's markets, we have to encounter a system of tariffs, of syndicates, of cartels, of bounties, all of which were made for the purpose of excluding us from those markets. And another reason is because it is a custom as old as commerce itself, and a universally recognized industrial policy. And still another reason is because the merchants of all countries have two schedules of prices—a home price and an export price.

Now, in what way does this practice help us? It keeps our factories going and our men from idleness. It maintains the American wage. It secures us a foothold in, and, ultimately, to some extent, a command of foreign markets. It does no harm.

Mr. PALMER makes the same statements.

Now, I want to lay down two propositions growing out of these statements by these distinguished advocates of the defendant in this suit.

First, confession is made that we have occupied the home markets fully, and in nine months we make as much as the whole American market will consume, and that the amount made in three months constitutes the surplus of sales abroad cheaper than at home, and must be maintained in order to maintain the system.

Mr. WILLIAMS. Will the gentleman pardon one question?

Mr. BURGESS. Certainly.

Mr. WILLIAMS. These gentlemen have said that in nine months we make all that the home market can consume. Did any of these gentlemen go further and add that we made all that the home market can consume if these protective products sold in the home markets at the same price that they sold abroad?

Mr. BURGESS. No; they are pretty reckless, but I don't think they would do that; that would be too obviously foolish; but they say, contending for the stand-pat doctrine, that it is necessary in order to retain the labor now employed in their production; and I say that your confession as to the surplus by sale abroad utterly destroys all the logic and philosophy upon which the founders of the economic theory of protection grounded the doctrine, and you can not deny it.

What did the great leaders—what did Blaine, what did Garfield, what did Morrell, what did all the great men who stood for protection argue? They said, "This is how protection brings prosperity: By restricting competition in the home market, it invites capital to invest in competing factories, and that gives increased employment to labor, and because of increased employment there is an increased wage, which causes an increased capacity to buy, and that strengthens the home market; and by that process those who raise products like cotton, corn, wheat, rye, oats, chickens, butter, and eggs, are enabled to get back in increased prices what they lost by the increased price they pay for articles manufactured."

This is a fair statement of the philosophy by which each of the great advocates of protection have attempted to demonstrate its economic value in the development of the whole country. The concession by these distinguished stand-pat orators takes all this philosophy out of the present support of the doctrine, for it is perfectly obvious that if the protected manufacturers can in nine months make sufficient, at present prices and under present conditions, to supply the home-market demand, that it is useless to longer argue that protection invites the investment of capital in additional factories to supply the home market, or that the demand for increased employment to labor can be thus produced, or that the home market can be thus strengthened. Instead, therefore, of all present conditions sustaining the original logic of protection, they overthrow it completely, and the bold position is forced upon the stand-patters to contend for the continuance of existing schedules in order that existing factories may continue to run, and that employed labor may hold its own. Any capital seeking investment, or any labor seeking employment—not now invested, not now employed—must "wait for dead men's shoes."

Ah, but that is not the worst. Another admission follows swiftly on the heels of that, a logical deduction that is worse than that admission. As soon as the manufacturers covered the home market, then what happened? They had but one of two avenues by which to maintain an increased business. They must fall to competing in the home market among themselves and thus reducing the price, cut down profits in order to extend their business, or they must combine together to hold the price up to the limit afforded by protection and sell their surplus in foreign markets; and that is exactly what they do, because that yields more profit than any other available avenue. That is why in ten years industrial combinations in all the products that are taxed have sprung up all over the country; that is why they are selling abroad more cheaply than at home; that is why the price of things we buy is under the domination and control of combinations, and a rival factory with more favorable locality and closer market, which would tend to bring down the price, is mashed to earth by these combinations, who then say to the Republican party: "Stand pat. How much do you want to keep this game going?" That is not all. That is not the worst effect of it. It not only stifles competition, but it bars the door to every coming young American, whether in individual manufacturing enterprise or in the domain of labor, or both. It forces the home market under the control of combinations, prevents industrial competition, bars the door to increased employment of labor, and thus destroys every vestige of a square deal to the American voter. I want to note another peculiar thing involved in these admissions. They attempt to plead confession and avoidance. After admitting the facts of the huge sale abroad for the last few years, they say, "Well, it is only 3 per cent of the total products raised in this country," and it is too small to amount to much. That reminds me of the famous incident in the story by Captain Marryat of Peter Simple, which I will not relate at this time. It is "such a little thing" in consideration of the vast commerce as not to have any appreciable effect, they say. The tables show it is 36 per cent of our exports. Now, let me state a proposition. Under normal conditions, applicable to all trade everywhere, under all conditions, if unaffected by other laws, let me say to you that it is an economic principle, as eternal in trade as is the law of gravitation, that the price of a product in the furthest market in which it is sold, less the cost and commissions of selling it there, fixes the price of the product in all intervening markets and in the field of production as well. The housewives in the country long ago found out that if the hens get busy and lay more eggs in Indiana than the local markets can take care of, and they are shipped to Chicago and New York and other great cities, then the city price, less the cost of shipping the goods there and the commission of the wholesaler and the retailer, fixes the price of every egg laid in Indiana, and the hen nor anybody else can not get away from that law.

Every wheat raiser, every cotton raiser, every man who has thought of it, whether he comprehends the philosophy of the law or not, has felt it in its operation and result. There is but one class of people in the United States that do not conform to this law. The manufacturer who sells abroad cheaper than at home violates this fundamental and universal law of trade, to which everybody else who furnishes a product to be sold in excess of his individual consumption must conform. It reminds me of the story of an Irish school-teacher who wanted to illustrate the law of gravitation to me. He said that if I would drop a dollar, it would fall to the floor, but if I held out my other hand and caught it, the law of resistance would suspend the law of gravitation, and the dollar would not fall. Now, protection and the Dingley law thrust out the law of resistance to the universal law of trade and suspended it in the interest of the American manufacturer and against every consumer's interest in the American market. [Applause on the Democratic side.]

Mr. Chairman, this subject needs to be submitted to thoughtful minds, not by garbled accounts of ancient history, not by twisted expositions of party platforms. The sharp, defined issue is presented to the country, Do you favor the reduction and revision of the tariff? This House on that side is full of men who do, and party whip and party power makes them sit silent here while the stand-patters do all the talking. I warn these gentlemen that the people in the districts from which they come can not be whipped into silence on this issue; that if this issue be fought out, as in 1884 and in 1892, the facts are infinitely stronger for Democratic control and ascendency now than then, and your party in a far less worthy and sensible position to maintain the doctrine of protection. Personally I want to see the fight for tariff revision and reduction come in the coming Congressional campaign. I am not willing, however, that anybody shall put me in the false position of being what is called a "free trader." No Democratic platform ever declared for free trade from the first platform, in 1840, down to date. They have declared invariably for a tariff for revenue, and the first resolution on the subject, adopted in 1840, was repeated in every national Democratic platform down to and including 1860, and

under that expression the Walker tariff was enacted, which gave construction to the expression and remains to-day the settled Democratic doctrine.

What was that idea? Put everything in three classes—necessities, comforts, and luxuries—levy the same rate on each class, a higher rate on comforts and a still higher rate on luxuries, and enough on the whole to raise sufficient revenue to meet the needs of honest economical government. It has been always admitted that under that basis, especially when levied upon competing articles, that the tariff laid would carry the incidental evil of a benefit to the manufacturer of that article to the extent of the tariff laid inherent in the system of taxation from which Democracy could not get away without destroying the constitutional system of taxation, which it has never sought to do. Nor does it seek to do it now. More than that, let no manufacturer be afraid that Democracy will ruthlessly ruin his business, for Democracy is as much opposed to ruining by legislation an existing industry as to hothouse one into existence by legislation. We shall deal as sensible men with the condition that confronts us, and we shall gradually apply the correct theory of tariff for revenue so as to bring the greatest good to the greatest number of people and the least injury to any individual that can be produced. That is the sound, sensible Democratic position, and we shall not be put in any other attitude by whatever you gentlemen say. [Loud applause.]

No correct conception of what is meant by a tariff for revenue can be had without comprehending the underlying basic Democratic doctrine that the tariff is a tax, a Federal tax, collected from the consumers of the articles taxed, and that the same immutable principles applicable to all just taxation are applicable to the tariff, as well as the fact that all incidental evils applicable to all taxation are inherent in the tariff system of taxation. All taxation tends to discourage investment in the particular form of property taxed. The failure to tax any property tends to encourage investment in that form of property rather than in the forms that are taxed, hence the doctrine of uniform equal taxation is the only just rule, the only method by which a "square deal" to all can be maintained. We have said that the correct rule of tariff taxation is to levy a tariff of some amount on practically all imports, so as to lay the burden of contribution to the support of the Government on the greatest number of people, on the one hand, and to lessen the incidental evil of class benefit inherent in the system, on the other hand, to the greatest extent that the system of taxation fixed by the Constitution will permit.

The trouble with you Republicans is that you seize upon the incidental evil of this system of taxation and make it the basis of its operation, and, having done this to the limit, you have produced the evils of which I have spoken, and a "square deal" is being demanded by thoughtful patriots everywhere. [Loud applause.] This issue, like Banquo's ghost, is an honest one and will not down. The present popularity of your President grows out of his Democratic tendencies on other lines, and he must go on and apply his doctrine of a "square deal" to the tariff or he must abandon the expression. Whichever he does, the action of Democracy will not be affected. We shall fling out our old banner. Sometimes that of defeat, sometimes that of victory, but ever honorable and ever bearing the unanswerable slogan of "Equal rigths to all and special privileges to none." We shall nominate as our standard bearer in 1908 that man who has stood for years for every popular contention advocated by the present occupant of the White House, for, in the language of the distinguished gentleman from Kentucky in this House, Hon. OLLIE M. JAMES, there is not a single issue advocated by Theodore Roosevelt that is popular with the American people to-day but that bears "the bloody stain of Bryan's faithful feet." [Prolonged applause.]

Mr. WILLIAMS. Mr. Chairman, I rise merely for the purpose of asking unanimous consent that I may insert in the RECORD three pages of Farquhar's Economic Delusions and a letter from that distinguished, though deceased, Republican and protectionist, Secretary McCulloch, giving a history of American panics and their causes.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent to extend his remarks in the manner indicated——

Mr. WILLIAMS. In reply to the remarks of Mr. MCCLEARY of Minnesota.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. WILLIAMS. Mr. Chairman, I rise merely for the purpose of asking unanimous consent that I may insert in the RECORD three pages from Farquhar's Economic and Industrial Delusions and a letter from that distinguished, though deceased Republican and protectionist, Secretary McCulloch, giving a history of American panics and their causes. I insert in reply to the "Panic and Tariff" chart of the gentleman from Minnesota [Mr. MCCLEARY].

It completely refutes or explains away every statement made by the gentleman.

Mr. Farquhar says (italics are my own):

It is a fact, I admit, that the crash of 1857 occurred after duties had been put exceptionally low. But that crisis, though very severe in its onset, was far less extensive and lasting than the later one beginning in 1873, under a high tariff; while its effects disappeared after a year or two, we took six years to recover from the great crash of 1873. As there is no doubt that duties were enormously high during our last panic [author means 1873—J. S. W.], protectionists generally pass it over and go back to that of 1837, claiming that the troubles of that day were due to the reductions made in import duties by the acts of 1832 and 1833. It should be remembered that the 1833 act, known as the "Compromise Tariff," which provided for general import rates of 20 per cent, was not to go into full effect until 1842, nine years after its passage. It was the result of an understanding between Clay and Calhoun, representing opposite opinions on the subject, Clay admitting that no industry was entitled to protection which could not make itself self-sustaining in nine years. *At the time the reduction was less considered as a source of financial difficulties than the great elevation of duties in 1828*, whose instigators were put to it to satisfy their fellow-citizens that it was not their own measure that had caused the trouble. The notion that the panic was brought on by the compromise tariff seems to have been invented many years later by an amiable, ingenious, and undoubtedly cranky publisher of Philadelphia, Henry Charles Carey, whose writings, "voluminous and vast," are far oftener talked of than read. Carey was not the sort of person who would consciously misrepresent facts; but the mind that could overlook the real causes—to wit, reckless speculation and huge and rapidly increasing State and municipal debts incurred for internal improvements, to say nothing of the collapse of the banking system of the country under the well-meant but over-violent attacks of an impetuous chief magistrate, and could ascribe such an effect to the relief of the people from a few unendurably oppressive import taxes—is a mind too distorted and prejudiced to serve as a guide in any rational inquiry.

The 1837 crisis, moreover, involved this country and Europe together. [This was likewise the case in 1893—J. S. W.]. The Europeans had another severe crisis ten years later, in 1847, just after another large reduction of duties in this country. If Carey's invention was ever to have an application, then 1847 should have been the time [especially as the year 1842 before 1846 saw another tariff reduction—J. S. W.]. But of the 1847 crisis, in which we ought by his rules to be fatally involved, our country felt not a trace, or far less disturbance at all events, than it underwent in 1825, just after an increase of duties. A particularly severe crisis began with us in 1818, under circumstances very like those of 1873, for the duties were then—disobligingly enough—decidedly higher than they had been before the war.

Having seen how the facts really stand with regard to the first "low-tariff" panic, need we be at a loss to account for that of 1857? To anyone who remembers the "wild-cat" currency then in circulation, whose every note, usually made payable at some branch bank located in an inaccessible place, had to be carefully conned and gauged—perhaps discounted, too—before it could be accepted, and the shameful inadequacy and venality of the State banking laws under which the most of it was issued, there is no occasion to look to national customs rates for an explanation.

Credit was then an edifice on a shaky foundation, sure to collapse when built up high enough. The only surprising thing about the 1857 crisis, to my mind, was the ease and buoyancy with which we recovered from it. In that respect it was altogether exceptional.

Now, hear the testimony of Hugh McCulloch, former Republican Secretary of the Treasury, now dead. Mr. Farquhar adds:

To supplement this fragmentary sketch of our panic history in the best way possible, I add a few paragraphs of testimony from the man who, of all men living [this was in 1891—J. S. W.] is most competent to speak on the subject, and whom it is least possible to look on as warped or hampered by prejudice. For years at the head of one of the very few creditable and successful State banking systems, afterwards Comptroller of the Currency at the most critical period of the war and Secretary of the Treasury under three administrations, Hon. Hugh McCulloch needs no recommendation to public confidence; while his well-known standing as a Clay Whig, and afterwards an earnest Republican, would certainly acquit him of partisan bias, were it possible for any reader to bring any accusation of the sort against language so calm and courteous—so indicative of ripe knowledge, clear sagacity, and judicial spirit. The following paragraphs are taken from his refutation of a protectionist tirade by Mr. Blaine, and first appeared in the New York Times, February 3, 1890:

"THE REVERSES OF 1837.

"Of these reverses and all subsequent ones I can speak advisedly, because I held positions of financial responsibility and had personal interests at stake. I was in 1837, and had been for a considerable time, the manager of the branch at Fort Wayne and a member of the board of control of the State Bank of Indiana. Mr. Blaine's statement that 'the years 1834–1836 were distinguished for all manner of business hazards' but faintly describes them. They were years, especially 1836, of the wildest speculation. In the East it was varied in character, but its dangerous elements were excessive credits, and there were few things that could be bought or sold that were not affected by it.

"In the West it was confined to wild lands and lands unimproved and town lots, many of which never had any existence except upon the recorded plats. It was speculation similar to that in the timber lands of Maine a few years before. Lands bought of the Government at $1.25 per acre were soon sold on credit at $4, $5, and in some cases $10. Hundreds of tracts were laid off in town lots where the original forests were still standing. What took place under my own observation seems now to be too absurd to have been real. On the Maumee River, from its mouth on Lake Erie, there was for miles a succession of towns. Some of them, like Maumee City, Perrysburg, Manhattan, and Toledo, were realities, but most of them existed upon paper only. In the spring of 1836 a young man, whom I met at Maumee City, said to me that he

had made a great deal of money in a few months. To my inquiry, how he had made it, he replied, 'by buying and selling lots.' 'Maumee City,' said he, 'lies, as you know, at the foot of the rapids, and is destined to be one of the great cities of the West; property is rising rapidly in value, and I am buying and selling every day.'

"'How did you raise the money to commence with?'

"'Oh, very little money is required in this business. I pay when I buy and I require when I sell a lot a few dollars to bind the bargain, but nearly everything is done upon credit.'

"On my way from New York to Fort Wayne, in the same year, I stopped over night at a hotel in Toledo. After dinner I noticed that there was a gathering of gentlemen in the parlor, and in the course of the evening I was waited upon by one whom I knew and invited to join it. 'Our rule' said he, 'is to admit no one to these meetings who is not worth $100,000. As you are a banker, you must be worth at least that.' This was far from being the fact, but I accepted the invitation. The company consisted of gentlemen, some of whom I knew personally and others by reputation. They were politicians, scholars, writers, and one or two of them authors of considerable renown, but not one was there whom I recognized as being engaged in regular business pursuits. It was a sort of private exchange, at which the members made themselves rich by buying and selling to each other lands and town lots. There was at times a good deal of excitement, much like that which is witnessed in the New York Stock Exchange. When the meeting closed everyone felt that he was richer than when it opened. In a few brief months there was not one of these hundred-thousand-dollar men who was worth a hundred thousand cents.

"RESULTS OF THE SPECULATIVE MANIA.

"The same speculative mania prevailed to some extent all over the country. It originated in unwise extension of the credit system, which was mainly the result of the removal of the Government deposits from the United States bank and the placing of them in State banks. When the deposits were removed there was, among conservative men, great apprehension that the effect would be severe financial trouble. To prevent this it seemed to be the understanding between the Secretary of the Treasury, acting under the direction of the President and the banks—pet banks as they were called—that as they had been favored by the Government in the use of the public moneys, they should deal liberally with their customers. This they did, and, as their capitals were sufficient to supply the demands of healthy business, the loans of the Government deposits were made to men who were engaged in speculative enterprises. Then, too, many of the States were engaged in works of internal improvement, and were spending large amounts of money which they had obtained by sales of their bonds in Europe.

In addition to the large volumes of currency thus put into circulation, a bank under the name of the Pennsylvania Bank of the United States was chartered by Pennsylvania as the successor to the United States Bank, with the same capital and mostly the same managers, which not only loaned its money in a manner which savored of recklessness, but bought large quantities of cotton on its own account. Never were credits so easily obtained nor so unwisely used; never to the superficial observer had the country been so prosperous.

"In the meantime, however, industry was declining, and all kinds of agricultural productions were commanding exorbitant prices. Wheat went up from $1 to $2 a bushel, and cotton from 7 to 15 cents a pound. A speculative fever everywhere prevailed similar in character, and as much more disastrous in consequences as it was wider in extent, to the South Sea bubble in England. Conservative men, strangely enough, as well as adventurers, were its abettors and its victims. Banking institutions, and especially the Government depositories, were in a great measure responsible for it, and not a few were ruined.

"I call to mind one case which interested me greatly. In the spring of 1836 I went to a city in a State adjoining Indiana to make with its leading bank exchanges of New York and New England bank notes for its notes, which were receivable at the Government land offices. As I knew the president personally, I called upon him at the bank after banking hours. I was kindly received, but I noticed that he was in bad humor, which he did not try to conceal, the cause of which he explained. 'I have,' said he, 'for the first time since I became president of the bank been squarely overruled in a matter of great importance. I do not like,' he went on to say, 'the business outlook. The people seem to me to have gone mad, and if I am not greatly mistaken they will soon find out that the prosperity of the country is unreal. We owe the Government a large amount of money, and as we have enough and something more in the hands of New York to pay it, at the meeting of the board this afternoon I introduced a resolution in favor of paying the debt and dissolving our connection with the Government. In offering the resolution I explained as fully as I was able to do my reasons for doing so. I was listened to attentively, but when the vote was taken there was but one vote (my own) in its favor. Not only was the resolution voted down, but I was instructed to use the money to our credit in New York in current business at home. To my directors the idea of giving up the use of a large amount of money on which we pay nothing, when it might be loaned at high rates of interest, seemed to be absurd. I hope they are right; time will show.' Time, and short time at that, did show. In little more than one year this great bank, which up to the time of its connection with the Government had been conservatively and profitably managed, was ruinously, hopelessly broken, and some of the directors who were its borrowers went down with it.

AFTER THE PANIC OF 1837.

Of the reverses of 1837 [five years after law of 1832 reducing tariff duties, J. S. W.] I made the following remarks in my report as Secretary of the Treasury in 1865:

"The great expansion of 1835 and 1836, ending with the terrible financial collapse of 1837, from the effects of which the country did not rally for years, was the consequence of excessive bank circulation and discounts, and an abuse of the credit system, stimulated in the first place by Government deposits with the State banks, and swelled by currency and credits, until, under the wild spirit of speculation which pervaded the country, labor and production decreased to such an extent that the country of the world became an importer of breadstuffs.

"The balance of trade had been for a long time favorable to Europe and against the United States, and also in favor of the commercial cities of the seaboard and against the interior, but a vicious system of credits prevented the prompt settlement of balances. The importers established large credits abroad, by means of which they were enabled to give favorable terms to the jobbers. The jobbers in turn were thus, and by liberal accommodations from the banks, able to give their own time to country merchants, who in turn sold to their customers on infinite credit. It then seemed to be more reputable to borrow money than to earn it, and pleasanter and apparently more profitable to speculate than to work. And so the people ran headlong into debt, labor decreased, production fell off, and ruin followed."

This was, of course, a panic sharp and terrific, but it was of short duration. It was soon followed by a lethargy under which all the springs of enterprise and hopefulness were dried up. To prevent the sacrifice of property under judicial decrees, stay laws and appraisement laws were enacted by many of the States, which only aggravated the trouble. For long, weary years the lethargy continued. There was no demand for anything except the necessaries of life, and all these, except clothing, were sold for scarcely enough, and in some cases not enough, to pay the expenses of taking them to market. I witnessed a sale in 1839 [seven years after law of '32, J. S. W.] to the keeper of a hotel in Indianapolis of oats at 10 cents a bushel, and fine chickens at 50 cents a dozen. The same year I saw thousands of barrels of flour under the sheds of Suydam, Sage & Co., in New York, which they were offering at $3.50 a barrel. Fat cattle were selling at so low a price—$10 and $12 a head—that my brother thought that he would pack a few barrels of beef at Fort Wayne for the New York market. He did so, and was drawn upon by his consignees for a part of the expenses of transportation not covered by the sales. From 1837 to 1841 there was nothing to break the stagnation but the political campaign of 1840, in which everybody became enlisted for want of something else to do. In the fall of 1841 a reaction began to appear. This became decided in 1842, before the tariff of that year went into operation, and in 1845 the country, chastened by adversity, was in the full tide of healthy and wealth-producing industry and enterprise. This continued until credits became again unwisely expanded and speculation became rife.

THE PANIC OF 1857.

In 1857 I was the president of the bank in the State of Indiana, and this is a part of what I said about the financial troubles of that year in the report from which I have quoted:

"The financial crisis of 1857 was the result of a similar cause to that of 1837, namely, the unhealthy extension of the various forms of credit. But as in this case the evil had not been long at work and productive industry had not been seriously diminished, the reaction, though sharp and destructive, was not general, nor were the embarrassments resulting from it protracted. Now, in both instances, the expansion occurred while the business of the country was upon a specie basis, but it was only nominally so. A false system of credits had intervened, under which payments were deferred and specie, as a measure of value and a regulator of trade, was practically ignored. Everything moved smoothly and apparently prosperously as long as credits could be established and continued, but as soon as payments were demanded and specie was in requisition distrust commenced and collapse ensued. In these instances the expansions preceded and contraction followed the suspension, but it will be recollected that while the waves were rising specie ceased to be a regulator by reason of a credit system which prevented the use of it."

Now, with all due respect to Mr. Blaine, I express the opinion that the apparent prosperity which preceded the revulsion of 1837 and the real prosperity which preceded the crisis of 1857 were not caused by the tariff and that the reverses which followed were not attributable to its reduction. If the tariff was in any measure instrumental in producing the changes, it was in stimulating the expansion which terminated in disaster. In 1857 I was a believer in the tariff, and it never entered my head to attribute the financial troubles of that year to the changes to which it has been subjected.

THE FINANCIAL TROUBLES OF 1873.

The most pressing duty which I had to perform when I became Secretary of the Treasury in 1865 was to provide the means to pay the soldiers, and to meet other pressing demands upon the Treasury. This was done in the only way it could be done, by the sale of temporary obligations which had proved to be attractive to investors. After this had been accomplished the work of funding these obligations was commenced and carried successfully on until the whole amount—some thirteen hundred millions of dollars—was converted into bonds. While this work was going on I was under constant apprehension of a financial crisis before it could be completed. My apprehension was unfounded, but only as to time. The crisis was postponed, and for so long a period that the opinion generally prevailed that the vitality and productive power of the country were so great that the most expensive war that had ever been waged could be concluded, and great expansion of credit could be checked and abridged without financial disturbances. I have to confess that this was my own opinion, but the same causes which produced the crisis of 1857 were at work, and, as had always been the case, the revulsion came when least expected.

When I left London in September, 1873, to come to the United States, the financial skies, if not cloudless, were not threatening. The letters which were received by the London firm from its New York partners were encouraging; and I had no reason to expect anything but a pleasant visit to my old home, and a return to London under auspicious circumstances. But on the arrival of the steamship in the outer harbor I was met by the stunning intelligence that my American partners and the correspondents of the Fort Wayne banking house in which I was interested had failed; that all the banks except the Chemical Bank, which had weathered all storms, had suspended, and that one of the wildest panics which had ever occurred was raging throughout the country. The crisis was a terrible one. Although it came unexpectedly, it was only the consummation of influences which had long been at work beneath the financial horizon. In extent, in fierceness, and the disaster it resembled the revulsion of 1857. It was not, as Mr. Blaine states, brought about by the losses sustained in the civil war, which had been terminated eight years before, nor by the destructive fires in Chicago and Boston. Great losses may bring about what are called hard times—not panics. It was produced by an expansion of currency and of credits which fostered speculation, which rarely fails to terminate in financial troubles.

Follow what Mr. McCulloch says about early panics to that of 1893. The panic was over before the McKinley bill was repealed, though consequent depression lasted on for three years or more.

Remember the wild speculation and expansions of credits to the stretching point in the early and middle eighties; the "booms" all over the country about Birmingham, Sheffield, Fort Wayne, Chattanooga, in south West Virginia; in silver mines and boom towns out West. Remember the inevitable subsequent contraction of credits in 1889, 1890, 1891, and 1892.

All of this—both speculation and contraction to cure speculation—and the consequent panic of 1893, occurred under the high protective tariff which bore Mr. McKinley's name, which was not repealed until August 17, 1894. We all remember the panic, soup houses, and Coxey's army marchings of that panic.

The CHAIRMAN. The Chair understood the gentleman from Texas to ask unanimous consent to extend his remarks in the RECORD.

Mr. BURGESS. If you please.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none. The gentleman from Nebraska [Mr. KENNEDY] is recognized for thirty minutes.

Mr. KENNEDY of Nebraska. Mr. Chairman, I wish to speak on postal savings banks, with special reference to H. R. 12209, introduced by me January 17.

In these modern days unorganized public sentiment is practically powerless. Almost every measure enacted into law has behind it an organization of some sort actuated by personal interest or profit. The Members of this House receive daily evidences of combinations to affect legislation, many of them being beneficial and some of them detrimental to the public welfare. The organized efforts put forth by capital and labor, and all classes of people, are directed mainly to the getting of money and not to the keeping of it. The present is a period of great prosperity and of great extravagance. The practice of economy is rare, except in those instances where circumstances compel it. The capacity to acquire wealth has been cultivated to the limit, but the habits of frugality, which aid in retaining it, are almost wholly forgotten. The Republican party has been largely instrumental in making the people prosperous. It should not now overlook the corresponding duty to aid in making them provident. The national banking system has amply provided for the needs of the rich and the commercial classes, but it has barely touched the poor and the people of moderate means. It is just as much the duty of the General Government to provide a system of savings banks for the toiling millions as it was to provide a system of national banks for the business interests of the country.

I realize, Mr. Chairman, that the people for whose benefit postal savings banks should be established can not bind themselves together and make their influence felt in Congressional campaigns. They must rely largely on the justice of their demand for such legislation. I am not unmindful of the fact that Congress does not lead, but follows, public opinion, and that the committees of Congress are reluctant to report important measures, except under the pressure of public opinion. It will be difficult, therefore, to get the Committee on the Post-Office and Post-Roads to report favorably any postal savings-bank bill, and equally so to put it through this House. The sentiment in favor of such a measure, however, has grown rapidly of late, and must soon be reckoned with inside and outside of Congress.

SUBJECT NOT NEW.

This subject is not new to Congress. Almost sixty bills have been introduced within the last thirty years—about thirty-five in the House and twenty-five in the Senate. In 1881, on the request of the Postmaster-General, made at the instance of Representative Springer, of Illinois, James G. Blaine, then Secretary of State, sent to the diplomatic representatives of the United States stationed in foreign countries a circular letter requesting them to obtain from the several governments to which they were accredited, information touching the practical workings of postal telegraph lines, telephones, and postal savings banks, and report such information to the Department. As a result of that inquiry much valuable information was obtained and many reports transmitted. In February, 1882 (47th Cong., 1st sess.), Mr. Lacey, of Michigan, from the House Committee on the Post-Office and Post-Roads submitted a favorable report on H. R. 4198, providing for the establishment of postal savings banks, and fully, clearly, and concisely set forth the reasons why the passage of the bill was recommended. In February, 1891 (51st Cong., 2d sess.), Mr. Evans, from the House Committee on the Post-Office and Post-Roads submitted a favorable report, recommending the passage of a similar bill (H. R. 13404). In April, 1897, the Senate adopted a resolution directing the Secretary of State to send to the Senate any information in the possession of the Department relative to the various postal savings-bank systems then in operation in other countries.

In response to that resolution, in May, 1897, President McKinley transmitted a report which included many diplomatic and consular reports on the subject. In July of that year the Senate passed a resolution directing the Secretary of State to send to our diplomatic representatives abroad a circular letter similar to the one sent by Mr. Blaine in May, 1881, instructing them to obtain and transmit all possible information touching postal savings banks, postal telegraph lines, and telephones, such information to be sent to the Senate at the opening of the next regular session of Congress. John Sherman, then Secretary of State, acted promptly on the resolution, and during the spring of 1898 reports were forwarded by him to the Senate from twenty-six countries. These reports were published in Senate Document No. 39, second session Fifty-fifth Congress. They were uniformly favorable to the establishment and operation of postal savings banks. Fortified by these reports, in January, 1899 (55th Cong., 3d sess.), Mr. Butler and Mr. Mason, from the Senate Committee on Post-Offices and Post-Roads, made a favorable report on a bill to establish a postal savings-bank system (S. 4747); which was made a substitute for seven other bills then pending in the Senate.

Postal savings banks have been recommended by six Postmasters-General of the United States. They were recommended by Postmaster-General Creswell as early as 1871, which recommendation he renewed in 1872 and again in 1873. Postmaster-General Maynard recommended them in 1880; Postmaster-General James, in 1881; Postmaster-General Howe, in 1882; Postmaster-General Wanamaker not only recommended them in three annual reports, but in 1891 he made a strong argument in favor of their establishment, and Postmaster-General Gary indorsed them in 1898. It appears, therefore, that for thirty-five years efforts have been made in this country to establish postal savings banks to receive the deposits of the masses without success. The friends of the system ought not to be discouraged, however, because it took more than fifty years of constant effort to establish them in Great Britain, where they had their birth, and where they have grown with the years in volume of business and in usefulness to the people. It is interesting to note the results in foreign countries.

Mr. DWIGHT. Will the gentleman permit an interruption?

Mr. KENNEDY of Nebraska. Certainly.

Mr. DWIGHT. In the countries abroad where postal savings banks exist do they pay interest on deposits?

Mr. KENNEDY of Nebraska. Yes, sir.

Mr. DWIGHT. Do you know what rate?

Mr. KENNEDY of Nebraska. Yes; I will speak of that more in detail as I proceed. Great Britain pays the lowest rate, 2½ per cent. It was formerly 3 per cent.

GREAT BRITAIN.

The credit for establishing postal savings banks in the first instance belongs chiefly to W. E. Gladstone. From 1807 for fifty-four years the public-spirited men of Great Britain had attempted to establish the system. In 1861 Mr. Gladstone succeeded in establishing it in England, and in the following year it was extended throughout Great Britain. The results speak for themselves more eloquently than any words of mine. The growth of the banks in Great Britain clearly appears from the increase of deposits and the rapidly increasing number of depositors. For the periods stated, from 1863 to 1905, both inclusive, deposits increased as follows, round numbers being used as a matter of convenience:

1863	$16,800,000
1867	48,000,000
1878	150,000,000
1882	200,000,000
1890	338,000,000
1895	490,000,000
1899	650,000,000
1905	750,000,000

There are now about 10,000,000 depositors in Great Britain, so that the average deposit is about $75. There are approximately 14,000 offices receiving deposits.

NEW ZEALAND.

Postal savings banks were established in New Zealand in 1867, and the following figures give the deposits at different periods from 1870 to 1904, both inclusive:

1870	$1,476,000
1875	3,636,000
1880	4,518,000
1885	8,190,000
1890	12,209,000
1895	19,477,000
1896	21,558,000
1904	36,000,000

CANADA.

Canada followed New England and established postal savings banks in 1868. The deposits at stated periods from 1870 to 1905, both inclusive, were as follows:

1870	$1,588,000
1875	2,926,000
1880	3,945,000
1885	15,000,000
1890	21,900,000
1895	26,800,000
1897	32,380,800
1900	37,507,400
1905	45,367,000

The average deposit in Canada is about $270. The rate of interest paid is 3 per cent, and was formerly 3½ and 4 per cent.

JAPAN.

Japan adopted the postal savings-bank system in 1875 and has reported deposits at certain periods from 1876 to 1896 as follows:

1876	$41,800
1881	822,000
1886	15,462,000
1891	20,000,000
1896	28,000,000

The average deposit in 1896 was under $23, the number of depositors being over 1,250,000. The rate of interest paid was 4 per cent.

FRANCE.

France established municipal savings banks in 1875, but her present postal savings-bank system was not established until 1881. In the fifteen years from 1881 to 1896 the deposits in these banks increased to $21,750,000, the number of depositors being over 400,000, and the average deposit over $50. These figures do not include the deposits in the municipal savings banks.

The French people are unusually thrifty and are excellent financiers. If the amount of their deposits in the municipal savings banks were added to the deposits in the postal savings banks, their capacity for saving and thrift would appear to be what it actually is—phenomenal. It is estimated that in France there is an account for every family.

GERMANY.

Germany has a municipal system of savings banks, of which the people avail themselves freely. Under that system the municipalities take the place of the General Government. The deposits, especially in the larger cities, aggregate enormous amounts. In Berlin alone there are over 500,000 accounts. Three per cent interest is paid on deposits.

OTHER COUNTRIES.

The following countries have adopted postal savings banks at the times stated: Belgium, 1869; New South Wales, 1871; Italy, 1876; the Netherlands, 1881; Austria-Hungary, 1882; Sweden, 1884; Cape Colony, 1884; Hawaii, 1886; Russia, 1889.

In 1896 Belgium had over 1,850,000 depositors, with deposits aggregating over $26,600,000. In 1904 the deposits amounted to nearly $110,000,000.

In 1896 New South Wales had on deposit in the postal savings banks over $21,800,000; in 1903, over $34,000,000.

At the close of 1895 Italy had 4,763 savings banks, with almost 2,900,000 accounts, and $90,000,000 deposits, the average deposit being over $30, and the interest paid on deposits, 3 per cent. In 1905 Italy had on deposit $195,000,000, the average deposit being $35.

In Austria-Hungary, at the close of the year 1896, the deposits in the postal savings banks amounted to $27,000,000; in 1903, over $36,500,000. The average deposit in that country is about $22.

In 1896 in Hawaii the deposits amounted to $730,350, the number of accounts being 7,494, and the average deposit over $97. The rate of interest paid on deposits was 4½ per cent.

It will be noted that in some instances the statistics bearing on the postal savings banks of other countries are not given for the last ten years. This is due to the fact that they are not accessible. Many of the figures used are those included in the reports made to the Secretary of State by our consuls stationed abroad under the resolution of the Senate adopted in July, 1897.

Believing that the House and the country ought to have detailed information on this subject covering the period from 1896 to the present time, I recently introduced in the House the following resolution, which was referred to the Committee on Foreign Affairs, and has been favorably reported by that committee.

Resolved, That the Secretary of State be directed to send to the diplomatic representatives of the United States abroad a circular letter instructing them to obtain from the several foreign governments to which they are accredited as full information as possible touching the operation of postal savings banks, from 1896 to the present time, in the several countries which have adopted them; such information to consist chiefly of the aggregate amounts on deposit, and the aggregate number of depositors, at a stated date each year during the period aforesaid, the rates of interest paid, and copies of the present laws relating to such banks; the reports received in response to said circular letter to be sent to the House of Representatives at the opening of the regular session of Congress in December next, or as soon thereafter as possible.

The reports called for by the resolution would be made by our representatives abroad without expense to the Government, and it certainly can not be urged that correct statistics on a matter of such vital importance would injuriously affect Members of Congress and the country at large.

We have heard much and read much about our Government being of the people, by the people, and for the people. It is of the people and by the people, but with respect to its failure to establish postal savings banks it is not for the people. In this connection, the people I mean are the great masses, who are the real producers of wealth upon whom our material prosperity really rests.

In the light of the foregoing figures, it can not be successfully contended that postal savings banks have not been a success in other countries.

Mr. BENNET of New York. Does your plan contemplate extending the postal savings-bank system to cities such as New York, where we have a thoroughly organized system of savings banks?

Mr. KENNEDY of Nebraska. My bill contemplates establishing postal savings banks in certain classes of designated post-offices throughout the United States, which would include post-offices in cities such as the city of New York.

Mr. BENNET of New York. Just one more question——

Mr. KENNEDY of Nebraska. I was going to add one thing more. I have in my bill an optional provision which leaves it to each State to say whether or not it will adopt the system. Under that provision, unless the State of New York should decide through its legislature to adopt it, the banks would not be opened in that State.

Mr. BENNET of New York. I should think that was a very wise provision. We are very proud of our savings banks in New York State. Could the gentleman tell me what effect, if any, this postal savings-bank system had in Canada on the private savings banks?

Mr. KENNEDY of Nebraska. I shall be glad to tell you that in just a moment.

CONDITIONS FAVORABLE IN THE UNITED STATES.

It is quite usual, Mr. Chairman, for those opposed to postal savings banks to admit their success in other countries, but to assert that conditions are different here. In what respect are they different? Are they less favorable for the growth and development of the system? It may be said that the laboring people of other lands are more thrifty than our own. In a measure that is true, because thrift has been fostered in them by the several governments providing depositories for their surplus earnings. In this country wages are higher, and, provision being made for banks of unquestioned solvency, savings should be much greater per capita than in Europe. It is true that a larger proportion of our people of moderate means own their own homes, but that proportion would be immeasurably increased by the stimulus which postal savings banks would give to habits of thrift and economy.

It can not be said that private savings banks in Europe are less safe than similar institutions in our own country, because statistics prove the contrary to be the truth; nor can it be established that private banks are less accessible to the people in foreign countries, because the density of population over there tends to the opposite result. The conditions existing in Canada are not materially different from the conditions existing here, and yet postal savings banks have flourished in Canada from the date they were established, and they are considered to be and are an unqualified success. In 1870 they had on deposit $1,588,000, and since then $45,000,000 in deposits have been added. Human nature is quite the same the world over. Most men will provide for the future if they are sure of their savings in the end, but so long as there is an element of uncertainty about that, self-indulgence takes the place of self-denial and thrift becomes an unknown factor in the problem of life.

BONDS SUFFICENT FOR INVESTMENT.

It is frequently said that postal savings banks can not be operated successfully in the United States because there is no large or permanent national debt, and, therefore, no proper investment for the funds. A recent statement issued by the Treasury Department shows that the United States bonds outstanding, not pledged by the national banks to secure circulation, aggregate over $383,000,000. Statistics concerning the indebtedness of the several States of the Union, collected by me within the last few months, show that the aggregate amount of bonded indebtedness of the States is over $220,000,000. These bonds, national and State, aggregate over $600,000,000. The building of the isthmian canal will create a bonded indebtedness of at least $150,000,000. There would therefore be available for purchase at some price bonds aggregating $750,000,000, in which deposits in the postal savings banks could be invested. The present adequacy of this bonded indebtedness is apparent when we consider that the total deposits in the postal savings banks of Great Britain, after more than forty years, are $750,000,000, an amount not in excess of the national and State bonds available for our investments. It may be urged, however, that the

United States as a nation does not contemplate a permanent bonded indebtedness. It is doubtful whether we will ever be entirely free from interest-bearing bonds. The construction of the isthmian canal is a great undertaking, and no man can foretell its effect upon international commerce. When that great work is completed the genius of the American people will find other undertakings of equal importance calling for the expenditure of great national wealth.

In addition to the United States and State bonds, there are hundreds of millions of dollars of municipal securities in which funds might be invested. These municipal bonds are for the most part of unquestionable validity, and would furnish a ready means for surplus investments.

WOULD NOT INJURE PRIVATE BANKS.

National banks are not now to any extent opposing postal savings banks, because they recognize the fact that they would not interfere with them in the conduct of their business. The opposition comes chiefly from savings banks charterd under State laws, or operated as private partnerships. It must be conceded that the Government should not undertake anything which can be done equally as well by private enterprise. If private banks can be so conducted as to supply the needs and merit and command the confidence of the people they are entitled to the business. So far as they are not safe, they can not command public confidence. During the period from 1865 to 1896 over 1,200 of our banks, other than national banks, failed. Their liabilities were $220,000,000, on which they paid in dividends $100,000,000, thus making the net loss in thirty-one years $120,000,000. The largest number of failures occurred in 1893. During that year there were 261, with liabilities of $46,766,800, on which dividends were paid amounting to $17,912,270, making the net loss $28,854,530 in one year. It will be noted that the average number of failures from 1865 to 1896 was about 40 each year. It will be conceded that from 1897 to the present time conditions throughout the country have been such that failures should have been few and far between, and yet from 1897 to 1905, both inclusive, there were 517 failures of banks, other than national banks, with liabilities aggregating over $123,361,000. The dividends paid out of these latest failures are not yet obtainable. It is safe to say that since the time postal savings banks were established in Great Britain the people of this country have lost by the failures of banks, other than national banks, the enormous amount of $200,000,000. It must be remembered, too, that this loss has not fallen upon the rich, but upon the people of moderate means and the extremely poor. It undoubtedly is true that a large number of these failures were due to mismanagement and dishonesty, and that by far the greater proportion of our State and private banks are safe and sound and well managed. We must admit, however, that we can not stand upon the record of the past and expect our people to place implicit confidence in all private savings banks, and a large proportion of the people will not discriminate, and so will not deposit in any of them.

In 1905 there were 1,237 savings banks in the United States, and the population at that time, as estimated by the Comptroller of the Currency, was 83,260,000. It will appear, therefore, that in 1905 there was only one savings bank to 67,300 people. The same year the capital stock of all the savings banks in the United States aggregated only $26,191,294, and the deposits in these banks were $3,093,077,357. In other words, the deposits were nearly 120 times the capital stock. The number of savings banks is not equal to the needs of the people, and the capital invested is no adequate protection to the people who deposit their money in them.

There is no reason why properly managed private savings banks can not compete successfully with postal savings banks. The average rate of interest paid by private banks on savings deposits is 3½ per cent. The average rate paid by the Government would not exceed 2½ per cent, thus giving the private banks the advantage of 1 per cent in the rate of interest. This alone would give a sound, solvent, and well-managed institution an advantage that could not be overcome. Then, again, the statistics and experience of other countries show that the postal savings banks have served as feeders for the private banks, and that both classes of institutions have grown side by side. The depositor in the postal savings bank begins with a deposit so small that his account is of no value to the private banker. When he has increased it by thrift and economy he becomes more confident of his ability to handle the fund, and he transfers his accumulation to the private bank, which pays him a higher rate of interest. This is the view taken of late by many of the building associations throughout the country. They now realize that postal savings banks would help and not hinder them. The fact that private banks flourish alongside of postal savings banks is amply demonstrated in Canada. Between 1900 and 1905 the postal savings bank deposits in that country increased less than $8,000,000. During the same period the chartered banks and private savings banks in Canada increased their deposits nearly $245,000,000. Well-managed private banks have nothing to fear, but much to hope, from postal savings banks.

Mr. GARRETT. Have you time to yield?

Mr. KENNEDY of Nebraska. Just for a question.

Mr. GARRETT. I want to suggest this thought. The fundamental objection that I have seen so far to all the postal savings bank bills that I have examined is this: That they provide that the funds deposited shall be exempt from any sort of garnishment or execution from any State court. Now, I want to ask my friend if he does not think that is stepping rather far?

Mr. KENNEDY of Nebraska. Yes; and my bill does not contain that provision.

Ten years ago, Mr. Chairman, the United States was the only civilized nation without a bankruptcy law, and now that the country has tried it, it will not be repealed in a hundred years. To-day the United States is the only civilized nation without a law providing for postal savings banks or Government savings banks of some sort.

Mr. SULZER. And if we ever get one it will not be repealed in a hundred years, either.

Mr. KENNEDY of Nebraska. The gentleman from New York is quite right.

WOULD EXPAND AND NOT CONTRACT THE CURRENCY.

It is frequently urged that the establishment of postal savings banks would tend to contract the currency. The contrary is true. In times of stringency and panic the people of moderate means withdraw their money from the private banks and hide it away in deposit vaults, beds, boots, and stockings, not to be deposited again until confidence has been restored. The money so withdrawn from the banks is withdrawn from circulation, and to that extent the currency is contracted. No panic would ever induce any depositor to withdraw his money from the postal savings bank. If postal savings banks were established and the panic came, depositors withdrawing their money from private banks would deposit it immediately in the postal savings banks, thus preventing to that extent a contraction of the currency. It has been argued that the Government would gather the deposits made in postal savings banks throughout the country and place them in Washington, New York, and other money centers. That would not be the case. The deposits would be invested, and pending investment, should be and would be kept on deposit in the particular localities from which they came. My bill, now pending, has a provision to that effect. Moneys invested by the Government under the postal-savings-bank act would at once find their way into the various avenues of trade and commerce.

Mr. FINLEY. Will it interrupt the gentleman if I ask him a question?

Mr. KENNEDY of Nebraska. I have only a few minutes, but I shall be glad to answer the question.

Mr. FINLEY. The gentleman stated a moment ago that national banks were not opposed to postal savings banks.

Mr. KENNEDY of Nebraska. That is my experience with them.

Mr. FINLEY. Why?

Mr. KENNEDY of Nebraska. Well, one reason is that many national-bank officials believe that in times of panic private savings banks are a menace to the national banks. These savings banks have not the funds available for withdrawal in case of a run, and they know that as soon as they claim the right to require the notice to which they are entitled their credit and standing is impaired, and so they call upon the national banks for support, and to protect themselves the national banks give it to them to their own detriment. Another reason is that many national banks now recognize that postal savings banks would serve as feeders for them.

Mr. FINLEY. I will ask the gentleman if he thinks because of the fact that the Government deposits, sometimes more and sometimes less, in the national banks—placing money on deposit there—that in the case of the postal savings banks they would reap even larger benefits than they have in that respect? Has that anything to do with it?

Mr. KENNEDY of Nebraska. No, sir; I think not. Under the system which I have outlined in my bill, if they had any such expectation they would be disappointed, because that contemplates the immediate investment of the funds and provides that until they are permanently invested they go back to the locality from which they came, so as to prevent centralization.

Mr. FINLEY. But after an investment was made, then the funds would be centralized in the larger cities.

Mr. KENNEDY of Nebraska. No, sir; not at all; because just as soon as the investment was made the money would pass out of the hands of the Government into the channels of trade and commerce.

Mr. GARRETT. Does the gentleman think that the establishment of postal savings banks under the system outlined in his bill would interfere to any great extent with the commercial banks of the country?

Mr. KENNEDY of Nebraska. Not at all, sir. I contend that it would help them, and not hurt them.

WOULD PROMOTE THRIFT.

When laboring men and people of moderate means lose their savings through insolvent banks, they lose more than the money; they lose the desire to save. The poor man who goes to sleep at night believing his hard-earned savings to be safe, and a protection against illness and old age, and wakes in the morning to find that they have been swept away in the night is unnerved and unfitted to make any further effort to save. He has lost confidence in all banks, and in a vague way he holds the Government responsible for its failure to protect him in the possession of his hard-earned dollars. Economy and thrift go hand in hand, each encouraging the other. The government which fails to encourage both fails to grasp its opportunity and falls short of its duty.

WOULD TEND TO MAKE LOYAL CITIZENS.

The mutual interest created between the United States and the depositor in postal savings banks would be beneficial to both. The citizen who looked to the Government to safeguard his savings would be more patriotic. Grateful for the security offered him, he would reciprocate by giving to the Government greater loyalty and more generous support. He would stand by the government that stood by him, and he would teach his children, with lessons of thrift and economy, the greater lesson of loyalty to the United States and reverence for and obedience to her institutions and laws.

Gentlemen must not forget that postal savings banks are intended to receive small deposits only. Any bill properly framed will limit the amount which any one person may deposit within a given time and limit the aggregate amount of his deposits.

The demand for postal savings banks in my district is emphatic and almost universal with the people for whose benefit they should be established. It is probable that the system will soon be put to the test in the Philippine Islands. Should it prove to be a success there, the way may be opened for it here. I shall be glad, indeed, if I may be able to contribute in the slightest degree to that result. Postal savings banks are necessary and desirable and would rapidly win their way to popular favor and support. [Applause.]

The CHAIRMAN. The gentleman from Indiana is recognized.

Mr. ZENOR. Mr. Chairman, I shall occupy the time allotted me this evening in addressing myself to, and offering some observations upon what some people call "government by injunction" and its relation to organized labor, a subject that I fully appreciate is one considered by many as possessing great delicacy and always more or less embarrassing to those who undertake its discussion, and especially so to me in this great body of legislators. I had supposed until last evening that in this delicate undertaking I might be further handicapped by venturing upon the task as a sort of pioneer, and, Mr. Chairman, I confess to some sense of relief since last evening I had the pleasure, as did the House, of listening to a very able and pertinent discussion of this question by my distinguished friend the gentleman from Missouri [Mr. DE ARMOND].

Mr. Chairman, no argument however cunningly devised, no reasoning however refined or ingeniously contrived can avail to deprive a citizen of this Republic, when accused of crime or violation of any penal law of the land, of the right of trial by jury under the guaranties of the Constitution of our country.

The announcement of a proposition so fundamental and elementary is, I know, not calculated to challenge any special interest, if indeed it be not regarded a stale and commonplace platitude. But, sir, in view of certain conditions existing between that large class of our people known in our industrial life as employers and that other and still more numerous but less powerful class known as the employees—in other words, between capital and labor—and the frequent disagreements that have disturbed their peaceful relations and the urgent demands lately made by the latter for some remedial legislation in relation to their disputes and controversies, I have felt justified in calling brief attention to some of these demands and offering some remarks upon this subject. In doing this I am reminded that one of the chief evils of which complaint is made by the labor organizations—labor unions—and associations of the country, is the manifest tendency of some of our Federal courts and Federal judges in cases of disputes and controversies arising betwen these two opposing forces, to unduly extend the use of the writ of injunction and other high writs of equity jurisdiction, belonging exclusively to the chancery powers of such court, as a means of punishment for alleged offenses growing out of such disputes and controversies, thereby depriving the accused of the right of jury trial.

If, sir, there be any reasonable foundation for this charge or justification for this complaint, and the courts or judges have exceeded in this respect the wise and safe boundary line of their jurisdiction; have invaded the personal rights of the citizen by an unwarranted assumption of equity powers in cases not permitted, then I take it that their cause is not without merit and should find a willing disposition on the part of the Members of this House to correct such evil to the full extent of their power. I am, however, not unmindful of the fact that public clamor is sometimes hysterical and not always a safe and reliable guide to gauge public judgment on important questions. But in the case of these labor demands their lack of merit is certainly not so apparent as to justify a denial of respectful and dignified treatment. This is an age of organization, combination, and concentration. Never before in all our history have we witnessed a parallel in the rapid growth, development, and combination of corporate wealth, influence, and power in the various branches of industrial enterprise, and as these have multiplied and extended their dominion over almost every possible avenue of employment it is but natural, if not indispensable to self-preservation, that the laborer and wage-earner should likewise organize and combine to be able to meet and treat with their adversary upon anything like fair and equal terms.

But, sir, I shall not contend, nor do I believe any well-informed and intelligent member of any labor organization contends, that by virtue of organization the organization itself or any member of it becomes vested with the power to exercise any rights not lawful and permissible to every other citizen under like and similar circumstances. In view of these conditions and in response to the urgent demands of the labor organizations of the country, there have been introduced in this Congress several bills proposing to deal with certain phases of the questions involved, which have been referred to the Committee on the Judiciary. I find among others H. R. 9328, introduced by my colleague from Indiana [Mr. GILBERT] on December 19, 1905, and H. R. 17976, introduced by Mr. HENRY of Texas, April 10, 1906. These bills purport to deal only with the question of granting restraining orders and injunctions in certain cases, and requiring notice prior to their issuance. These bills have been consigned to their death in some pigeonhole of the committee room.

Then there was introduced by request, as it purports, by Mr. PEARRE of Maryland, H. R. 18752, April 28, 1906, and it is to this one that I desire to call the especial attention of the House. This bill, however, like its predecessors, was referred to the Judiciary Committee, and not likely to survive a similar fate. But unlike the other bills to which attention has been called in this, that it does not undertake to deal with or to change or alter the practice with reference to notice in the issuance of these writs, but does undertake to limit the right to issue such writs in cases involving the relations of employer and employee, and employees, and to disputes concerning the terms and conditions of employment to such cases where irreparable injury is threatened to property or property rights of the party making the application, for which there is no adequate remedy at law. It further provides what shall not be considered a property right in the sense of the bill if enacted into law. It further provides in section 2 what shall not be held to constitute a conspiracy in cases arising in the United States courts or before any judge thereof in reference to labor disputes and controversies. This bill is brief, and I will read the same as part of my remarks. It reads:

A bill to regulate the issuance of restraining orders and injunctions and procedure thereon and to limit the meaning of "conspiracy" in certain cases.

Be it enacted, etc., That no restraining order or injunction shall be granted by any court of the United States, or a judge or the judges thereof, in any case between an employer and an employee, or between employers and employees, or between employees, or between persons employed to labor and persons seeking employment as laborers, or between persons seeking employment as laborers, or involving or growing out of a dispute concerning terms or conditions of employment, unless necessary to prevent irreparable injury to property or to a property right of the party making the application, for which injury there is no adequate remedy at law, and such property or property right must be particularly described in the application, which must be in writing and sworn to by the applicant or by his, her, or its agent or attorney. And for the purpose of this act no right to continue the relation of employer and employee or to assume or create such relation with any particular person or persons, or at all, or to carry on business of any particular kind, or at any particular place, or at all, shall be construed,

held, considered, or treated as property or as constituting a property right.

SEC. 2. That in cases arising in the courts of the United States or coming before said courts, or before any judge or the judges thereof, no agreement between two or more persons concerning the terms or conditions of employment of labor, or the assumption or creation or termination of any relation between employer and employee, or concerning any act or thing to be done or not to be done with reference to or involving or growing out of a labor dispute shall constitute a conspiracy or other criminal offense or be punished or prosecuted as such unless the act or thing agreed to be done or not to be done would be unlawful if done by a single individual, nor shall the entering into or the carrying out of any such agreement be restrained or enjoined unless such act or thing agreed to be done would be subject to be restrained or enjoined under the provisions, limitations, and definition contained in the first section of this act.

SEC. 3. That all acts and parts of acts in conflict with the provisions of this act are hereby repealed.

This bill, Mr. Chairman, as I am reliably informed, is the bill prepared under the supervision of the national federation of labor unions and was introduced in this House at this session at their request by the courtesy of the gentleman from Maryland [Mr. PEARRE]. The bill, I am told, has the unanimous indorsement and cordial support of all the labor organizations, as well as the nonunion men throughout the country and is one in which they have taken much interest and feel a deep concern. I myself have received some communications from these organizations warmly urging the passage of the bill. This demand coming from organized labor, numbering in its ranks more than 2,500,000 out of the more than 5,000,000 of the Nation's industrial toilers, should itself commend it to the favorable consideration of this House. I will insert as part of my remarks one of these communications and the resolutions accompanying it, from the Chicago Federation of Labor. It is as follows:

CHICAGO, *May 28, 1906.*

To the Honorable President, the Senators and Members of the House of Representatives of the United States.

DEAR SIR: We herewith submit to your consideration the inclosed resolution and petition passed by the Chicago Federation of Labor:

Whereas organized labor has for years protested against the abuse of the writ of injunction in labor disputes; and

Whereas we steadfastly maintain that any act which is lawful when committed by an individual can not be unlawful when committed by two or more persons; therefore, be it

Resolved, That we, the Chicago Federation of Labor, representing 250,000 organized workers in the city of Chicago, hereby respectfully request that the bill now pending in Congress known as the "Pearre bill H. R. 18752," be enacted a law at the present session of Congress.

Hoping to receive your support for this bill and awaiting your reply at your earliest convenience, we are,

Very truly, yours,

CHICAGO FEDERATION OF LABOR.

A careful analysis of this bill will show that it is the result of a studied effort to protect labor organizations against interference by the courts by writs of injunction in cases where property or property rights are not involved within the rules of equity and to prevent court construction of certain agreements into "conspiracies." Its provisions are clear and well drawn, and while covering questions not hitherto exploited in legislation, are yet conservative and do not reach beyond the safe boundaries of wise and prudent legislation if it be free from the objection of discrimination. It attempts to draw the line between those rights of the citizen which are subject to the equitable jurisdiction and control of the courts and those which are not; between those rights of labor and of the rights of members of labor organizations and combinations as individuals seeking and performing labor, and the rights of employers of labor. In other words, drawing the distinction between property rights and personal rights. For the difference between these mark the line of demarkation where the courts may or may not legally assume equitable jurisdiction and interpose their controlling power.

A confusion of ideas concerning what constitutes property rights, as contradistinguished from mere personal rights, must lead to a like confusion in the application of the principles of law when we come to deal with controversies and disputes involving the one or the other. A clear and distinct understanding, therefore, of the legal distinction between property rights and personal rights—and what constitutes the one or the other—and a like understanding of the difference between a lawful combination, organization, or association of persons and an unlawful one, are highly essential to an intelligent discussion and understanding of the questions involved and the proper remedies to be applied. Every well-informed and intelligent person must realize the far-reaching importance of these questions. If it were a mere matter of legal remedies and court procedure, it might be a much more simple proposition, but to confine ourselves to a discussion of the mere legal technical phases of the subject would be to confess our lack of capacity to comprehend the real merits of the controversy. It would be as absurd and impracticable as to construct a sewer without any regard to the volume and current of water to flow through its channel. This is a progressive and industrial nation, foremost among all the nations of the earth, and the welfare of all depends upon production—upon the joint operations of capital and labor.

As said by Mr. Thomas Carl Spelling in his very able argument presented to the committee, as counsel for the Federation of Labor, on this very bill, and I quote from his argument:

If we go back to the less complicated and primitive conditions prior to the advent of concentration of business, combinations, and associations, we find that even then capital was an organized force. But under the conditions of that early period in the expanding development of our country the necessity for the employment of large numbers of laborers had not yet arisen. The question of labor and the opposing forces of labor and capital are the concomitant incidents in the growth and evolution of our business enterprises. Until the demands of trade and commerce justified the employment of laborers in large numbers, we never heard of labor disputes and controversies, of strikes and lockouts. Take any community or neighborhood and let a man come into it with a large amount of capital to engage in a business requiring the employment of a large number of men and he is at once a potent factor, an organized force, and whatever he chooses to prescribe as a scale of wages will generally govern and control in that community in the absence of organization among laborers. And so we find it everywhere, and this condition and tendency is strongly accentuated by the advent of associations and combinations of capital in the form of corporations and trusts; and as one of the most inevitable consequences we find the question of wages, the scale of price to be paid for labor, always uppermost in the minds of these associated and related interests.

It does not matter whether it is a corporation having control of the production of a commodity or a combination of corporations in the form of a trust, the question of the price of labor is of first importance, because such a large per cent of the outlay consists of wages that a small reduction in the wage price means a large profit to the employer. Hence, with labor unorganized it is unable to cope with the inevitable tendency to depress and force wages down to the lowest possible level which will permit a bare subsistence.

Again I quote substantially from Mr. Spelling. He further said:

Another thing that ought not to escape our attention in the consideration of this industrial question—this continuous strife between capital and labor—for this is a practical age, and not the ideal age contemplated by The Hague Tribunal, nor crystallized in the theory of modern socialism, or reflected in the fanciful dreams of some philosophers, when there shall be peace and harmony between all nations, communities, and peoples—but a practical age, with practical men, dealing with practical problems; hence I therefore repeat what I have just said, that the other thing to be reckoned with is that we are now in the midst of a struggle, an irrepressible and incessant conflict, between capitalists, rival competitors for the volume of trade, not only at home, but in the broader field of international commerce, for foreign markets.

This intensifies, if it does not imbitter, the contending forces in this great world struggle. This conflict, as I have said, is inevitable; it is the logical sequence of the cupidity and selfishness of business and trade, and it is not unnatural, therefore, that the opponents of all legislation in the interest of labor to say that there ought to be peace, there ought be harmony; that there ought to be arbitration, even if under the strong coercion of law; but sir, as long as this abnormal condition exists between capital and labor, and between capital itself, there will be little hope of any successful effort to compel submission and enforce peace on the labor organizations. Until a reconciliation shall be had upon the broad and humane basis of live and let live, upon principles of economic justice between capital and labor, the resort to injunctions and restraining orders of Federal judges and Federal courts will be vain and futile.

Mr. Chairman, there no longer exists in the fair and unbiased minds of men at all familiar with our industrial history a doubt of the legal right of workingmen to organize and combine with a view, among other things, of getting as much as they can for their labor, just as capital may combine with a view to getting the greatest possible return, and they have the same freedom and liberty as organized capital has to support their interest by argument, pursuasion, and the bestowal or refusal of those advantages which they may lawfully control. If this were not true, if it were otherwise, then in the very nature of things, under existing conditions and the unavoidable warfare in the struggle between the two, labor in its hard and unequal struggle with its more potent and powerful antagonist would be rapidly driven to a condition of absolute servitude.

These views are not mere pipe dreams or vagaries of a disordered fancy, but the well-supported conclusions in the best reasoned opinions and judicial expressions of some of the highest courts and judges of the land. In the case of Vaughan *v.* Gunter (167 Mass., 92) Mr. Justice Holmes, now a distinguished member of the Supreme Court, then a justice of the supreme court of Massachusetts, in his opinion says:

It is plain from the slightest consideration of practical affairs or the most superficial reading of industrial history that free competition means combination and that the organization of the world, now going on so fast, means an ever-increasing might and scope of combination. It seems to me futile to set our faces against this tendency. Whether beneficial on the whole, as I think it is, or detri-

mental, it is inevitable, unless the fundamental axioms of society and even the fundamental conditions of life are to be changed. One of the eternal conflicts out of which life is made up is that between the effort of every man to get the most he can for his services and that of society, distinguished under the name of capital, to get his services for the least possible return. Combination on the one side is potent and powerful.

Combination on the other is a fair and equal way, * * * if it be true that the workingmen may combine with a view, among other things, to getting as much as they can for their labor, just as capital may combine with a view to getting the greatest possible return, it must be true that when combined they have the same liberty that combined capital has to support their interest by argument, persuasion, and the bestowal or refusal of those advantages which they otherwise lawfully control.

The doctrine announced in this opinion of Justice Holmes has not, however, been accepted and acted upon by those of the Federal courts, and judges who have been content to follow the line of vicious precedents, which they themselves have built up, although the views of Judge Holmes have been frequently cited and referred to in subsequent cases by the highest courts of the country as expressing the correct rule. This is especially true in the case of the Union Pacific Railroad Company *v.* Ruef, 120 Federal Reporter, page 111, where the judge says:

And Judge Holmes, now of the Supreme Court, is often cited as giving expression to the correct rule in his dissenting opinion in the Massachusetts case hereinbefore referred to, and excerpts from his opinion are often cited.

Another very interesting case to which I desire to call attention is the case of Hopkins *v.* The Oxley Stave Company, reported in 83 Federal Reporter, page 912. I do this to illustrate the absurd reasoning of some of the Federal judges in their efforts to justify their unwarranted assumption of jurisdiction and arbitrary proceedings based thereon. This case is of special importance on this subject and in this connection, because of the nature of the subject-matter of the proceeding and its intimate relation to the questions under discussion. This was a boycott case. The plaintiffs in the case, the Oxley Stave Company, was not only an employer of nonunion labor at a reduced rate, but used and operated machinery in carrying on its business operations.

The facts show that it used saws to make staves, and they sawed across the knots and grain of the timber, and the staves they manufactured when put into a barrel would therefore break, and the barrels would burst in the hands of the merchants and great loss would ensue. And yet they advertised and carried on their campaign to sell their product with great industry and energy. Now, it seems that the union men throughout the West found out about this, and they resolved to do what a great many people say is "boycotting." And what do you suppose they did? This and this only: They met and investigated and informed everybody they knew, merchants and dealers in staves and barrels and in general merchandise, about the inferiority of these goods. It seems to have been conceded that the proof showed in the case that what they said about these goods was absolutely true. The court in its opinion said:

These men may do that as individuals, but when they combine to do it, not only is it a crime, but it is the power and the duty of a court of equity to enjoin.

And, pursuant to this finding, the judicial bludgeon of a Federal injunction was hurled against these defendants—as innocent of crime as the judge upon the bench. Think for a moment of a judge of a high court announcing as a principle of law that an act done by an individual is entirely innocent, but when done by several persons collectively becomes a crime subject to fine and punishment. Think of a court asserting such a doctrine as this, and making it the foundation for the exercise of its equitable jurisdiction in injunction proceedings. The only offense—the only crime of which these men could possibly have been found guilty—was the fact that they had told the truth and were members of the labor union, and this it seems was sufficient in the judgment of this Federal court to issue against them a Federal injunction. No rule—no principle of law known to criminal jurisprudence—made them guilty of anything else. To use the terse and apt language employed by the judge in the case already referred to—the case of the Union Pacific *v.* Ruef:

I can not understand how two lawful acts, or the lawful act by each of two persons, can make an unlawful act any more than I can believe that two ciphers can make a unit.

Such a doctrine as here proclaimed would have done credit to a tool of some despot under the reign of Charles the First, but is ill suited to the reign of law in American jurisprudence. Why, gentlemen, the present law upon the subject of conspiracy now upon our Federal Statute defines this crime in the following language:

If two or more persons conspire, either to commit an offense against the United States or to defraud the United States, in any manner or for any purpose, etc.

This law requires, as do all other laws upon the subject of criminal conspiracies, that the object and purpose of the agreement or concert of action shall be "unlawful" in order to constitute it a crime. Why, the English conspiracy and protection act of 1875 breathes a more enlightened spirit of broad and humane justice upon this subject than do our laws, if we are to accept the law as interpreted by some of our courts, and we would do ourselves credit by copying her example. This act provides:

An agreement or combination of two or more persons to do, or to procure to be done, any act in contemplation or furtherance of a trade dispute between employers and workmen shall not be punishable as a conspiracy if such act as aforesaid when committed by one person would not be punishable as a crime.

This is almost the exact language of the bill now pending before the Committee on the Judiciary, and which I most sincerely hope will at the next session of this Congress, if not at this, be taken up and considered, and with such amendments as may be found necessary, without destroying its substance, enacted into law.

Congress has already expressly recognized the purposes contemplated by labor combinations as lawful, and sanctioned their right to organize to carry them out, though not to the same extent as that of the English Parliament, yet has taken a decided step in advance in that direction. By the act of 1886, First Supplement, chapter 567, page 495, entitled "An act to legalize the incorporation of trades unions," I merely call attention to that part of the act defining the purposes for which such organizations may lawfully combine. It reads:

For the purpose of aiding its members to become more skillful and efficient workers, the promotion of their intelligence, the elevation of their character, the regulation of their wages and their hours and conditions of labor, the protection of their individual rights in the prosecution of trade or trades, the raising of funds for the benefit of the sick, disabled, or unemployed members of the families of deceased members, or for such other object or objects for which working people may lawfully combine, having in view their mutual protection or benefit.

And here again I will quote from the brief of Mr. Spelling before the committee. He said:

Now, the law of private corporations, whether the incorporators derive their authority under special or general laws, every lawful means—mark you, every lawful means—may be resorted to by the incorporators to accomplish the purposes of the incorporation and to effectuate the objects contemplated, and there is no court of equity in Christendom that has any power to enjoin or prevent them. If this be true in the cases of corporations, under what theory can it be insisted that in an effort to maintain wages, to promote their welfare, and to better their social and industrial conditions, and otherwise to advance the objects contemplated in their associations, that labor organizations have not the same right to employ all legitimate means to these ends. Have they not the right, then, if necessary, to declare a strike, to go out and persuade their strikers to remain firm, or even to persuade those seeking their employment or to replace them to desist? Have they not the right, if it advances their cause, to assist them with money, to give them sympathy and encouragement, to meet in their lodge rooms, or such other place or places, as may suit their convenience, to open up and furnish reading rooms, and other places of entertainment, to make speeches, and discuss topics of interest, if these proceedings are carried on and conducted in a peaceable and orderly manner?

Those acts, sirs, are but instances of the exercise of the liberty of free speech, and the right to peaceably assemble guaranteed by the Constitution of the land, and they have as much right to the enjoyment of these privileges as members of this House to stand here and address this body. And in doing these things in an orderly way they should be as free as we from the coercive power of the courts. But applying the doctrine announced in the decision of the court to which I have heretofore called attention—the case of Hopkins *v.* Oxley, etc.—these organizations and labor associations are denied many of these privileges and immunities, and are grossly and unjustly discriminated against in favor of corporations and the great aggregations of capital in the form of trusts. To illustrate the enormity of the doctrine announced by the court in this case, I merely call attention to the dissenting opinion in the case by Judge Caldwell, who covers the question more clearly, and much better than I can do. In this opinion Judge Caldwell says:

While laborers, by the application to them of the doctrine we are considering, are reduced to individual action, it is not so with the forces arrayed against them. A corporation is an association of individuals for combined action; trusts are corporations combined together for the purpose of collective action and boycotting; and capital, which is the product of labor is in itself a powerful collective force.

Indeed, according to this supposed rule, every corporation and trust in the country is an unlawful combination; for while its business may be of a kind that its individual members, each acting for himself might lawfully conduct, the moment they enter into combination to do that same thing by their combined effort the combination becomes an unlawful conspiracy.

Now, who will pretend to reconcile this logic, or justify the application of this rule, as made in this case? Yet the rule is so applied. I continue to read:

Corporations and trust and other combinations of individuals and aggregations of capital extend themselves right and left through the entire community, boycotting and inflicting irreparable damage upon

and crushing out all small dealers and producers, stifling competition, establishing monopolies, reducing the wages of the laborer, raising the price of food on every man's table and of the clothes on his back and of the house that shelters him, and inflicting on the wage-earners the pains and penalties of the lockout and the black list, and denying to them the right of association and combined action by refusing employment to those who are members of labor organizations; and all these things are justified as a legitimate result of the evolution of industries resulting from new social and economic conditions and of the right of every man to carry on his business as he sees fit and of lawful competition.

On the other hand, when laborers combine to maintain or raise their wages or otherwise to better their condition or protect themselves from oppression, or to attempt to overcome competition with their labor or the products of their labor in order that they may continue to have employment and live, their action, however, open, peaceful, and orderly, is branded as a "conspiracy." What is "competition" when done by capital is "conspiracy" when done by laborers. No amount of verbal dexterity can conceal or justify this glaring discrimination. If the vast aggregation and collective action of capital is not accompanied by a corresponding organization and collective action of labor, capital will speedily become proprietor of the wage-earners, as well as the recipient of the profits of their labor. This result can only be averted by some sort of organization that will secure the collective action of wage-earners. This is demanded, not in the interest of wage-earners alone, but by the highest considerations of public policy.

This is the language of a judge of a distinguished court, speaking as we must, and have a right to assume, from an unbiased and disinterested standpoint and with that judicial calmness that befits his high station, and it would be difficult to make more clear and distinct the line of cleavage between corporate capital and organized labor.

In recent years the attention of the whole civilized world has been drawn to The Hague tribunal as the most encouraging omen of a world-wide sentiment in favor of promoting the peace of the nations that has ever occurred. However solicitous and hopeful the nations of the earth may look forward to the realization of this Utopian dream, and to all that has been accomplished in that direction, it must be confessed that we are still far removed from this ideal, for within six years from the date of the first assembling of that great world peace conference, the foremost nation in the movement found itself involved in one of the most gigantic and disastrous wars of modern times. No means in all the past has ever been devised to avert these conflicts and stop the shedding of blood.

Likewise in the struggles and conflicts in our industrial and commercial life in the strenuous competition now going on between the rival forces of organized capital to secure advantages in trade—in the markets at home and abroad—with this inevitable and irrepressible conflict going on, it would be marvelous indeed to expect that we will in the near future reach the point when the opposing interests of capital and labor will be harmoniously reconciled. But in the meantime these great economic factors in our industrial system should stand equal before the law, equal before the courts, equally responsible to both upon the same principles.

It is thought by some that workingmen constitute a turbulent and dangerous class of society and that their organization for mutual protection and betterment of conditions is a menace to good government, but in fact the wage-earners have been a steadying force in politics. Strong appeals and plausible arguments have been from time to time addressed to them to embark in hopeless efforts to readjust our systems of Federal and State government by the institution of impractical and far-reaching so-called "reforms,' such as greenbackism, populism, socialism and the like. But whoever else may have been led from paths of safety by such overturning attempts, it may justly be claimed to the credit of workingmen that they had wisdom and foresight sufficient to be forewarned of the folly of undertaking reforms otherwise than through the agency of one or the other of the two parties which existed and controlled every branch of Government for fifty years. In this way they have already accomplished much. They have secured the enactment of numerous statutes the enforcement of which has afforded relief from intolerable and unpleasant conditions, and in this way, if they correctly judge between their friends and opponents, organized politically, they may hope for much in the immediate future. Their numbers and their knowledge of party government are sufficient to enable them to take charge of and control either of the old parties and through such agency obtain any reasonable and just remedial legislation. Thus they may take a short cut to their ends and aims, whereas the third-party adventurers would lead them many miles astray without ever arriving anywhere. There have been in this country scores of third-party movements, not one of which ever accomplished anything of permanent value. Having elected candidates to public office, they were unable to keep them in office without a fusion or amalgamation with other parties. The same experiences are found when we come to examine the record of independent candidacies. It is an exceedingly rare combination of circumstances which results in the election of an independent, and when it happens it is usually found that he has promised so much that was impossible of performance that his administration is a disappointment to all. One reason for the failure of the independent candidate after his election is that, having opposed and censured the leading parties and their candidates, he finds the officials that have been elected by both or either arrayed against him from the start and at every turn. They hope soon to be able to secure from one or the other of the dominant parties the relief they seek, and they propose to keep a watchful eye upon the performances of both and judge for themselves which one has been most sincerely their friend, and the friend of the great body of the people, and to which they can most surely look for a realization of their hopes.

Labor organizations demand this and this only. They want no more. They will not be content with less. They do not plead for immunity from the pains and penalties of violated law. They are orderly and law-abiding. The tenets of their organization teach and impose as one of its first and highest mandates obedience to law. Every consideration of self-interest prompts, every consideration of policy and expediency constrains them to obey the laws of the country. In the brief examination given the subject I recall but one instance where they have applied to the court for relief. This was an application for relief in equity against what they charged was a conspiracy among employers of labor to blacklist and prevent their employment. The petitioners, workingmen, had quit the employment of the defendants, and they charged that defendants, their former employers, had blacklisted them and had engaged in a conspiracy to prevent their employment elsewhere by notifying other business firms and employers of labor of the fact that the petitioners were blacklisted. They sought an injunction against the defendants to restrain them from interfering with their employment and to remove their names from what they charged was the black list. The court held, the opinion being rendered by Chief Justice Field, of the supreme court of Massachusetts, that the petitioners were not entitled to relief. Case reported in 157 Mass., 423. In the course of the opinion the court uses this language—and it was a unanimous opinion:

> It is plain, however, that the petition was drawn with a view to obtain some equitable relief. It is well known that equity has, in general, no jurisdiction to restrain the commission of crimes or to assess damages for torts already committed. Courts of equity often protect property from threatened injury when the rights of property are equitable, or when, although the rights are legal, the civil and criminal remedies at common law are not adequate, but the rights which the petitioners allege the defendants were violating at the time the petition was filed are personal rights, as distinguished from rights of property.

It will be observed that the court, in deciding this case, draws the line of distinction between personal rights and property rights, as is recognized in all well-reasoned opinions of the courts everywhere. And with this decision labor organizations have expressed universal satisfaction, and all they ask is a like application of its principles to all other labor disputes and controversies. In the first section of the bill to which I have called attention provision is made to prevent the issuance of restraining orders or writs of injunction in any case of labor disputes or controversies, or matters of difference involving contracts, terms, and conditions of employment of labor, unless necessary to prevent "irreparable injury to property or to a property right" of the party or parties making the application, for which "injury" there is no "adequate remedy at law," and requiring the party or parties complaining to specifically and particularly describe the "property" or "property right" in the application, which is required to be in writing and sworn to by the applicant, or by his, her, or its agent or attorney. It is further provided by this section that no right to enter into contracts or agreements for the employment of labor or to create the relations between employer and employee, or the right to carry on business of any particular kind, shall be construed, held, considered, or treated as "property" or as constituting a "property right."

The second section provides that no agreement between two or more persons concerning the terms or conditions of employment of labor or which create the relation of employer and employee or concerning any act or thing to be done or not to be done with reference to or involving labor disputes, shall constitute a conspiracy or other criminal offense or be punished or prosecuted as such unless the act or thing agreed to be done or not to be done would be "unlawful" if done by a single individual, nor shall the entering into or carrying out of any such agreement be restrained or enjoined unless such act or thing agreed to be done shall be subject to be restrained or enjoined under the provisions of the first section.

These provisions contain nothing revolutionary—nothing beyond the scope of the law as it is now and has been defined, administered, and applied by the best legal writers and authors

upon the subject, and the great majority of the highest courts of the land for more than a century of our history. Sirs, it may, and doubtless will, offer some vexation to those judges and courts—as the English juries did, in the reign of "court-made law" in that realm, who may be inclined to outride the wholesome restrictions thrown around their powers and jurisdictions by the Constitution. It is not unreasonable to suppose that a protest here and there will be raised, a criticism now and then made by the advocates and apologists of special privileges—of class discriminations. But even this opposition dare not challenge a fair and honest discussion of its motives.

No argument can be advanced, no reasons assigned, why this modest demand of labor should not be enacted into law, that may not be employed with equal, if not greater, force against many of the rights and privileges now claimed and freely exercised by the very interests arrayed in opposition. Labor unions and labor associations and their members are entitled to know what their rights are under the law, and to this end to have the law-making power of their Government to define what shall or shall not constitute a crime or public offense; and especially so in matters involving interest of the most vital concern to their personal rights and liberty. Under the present system, under prevailing conditions, no workingman can ever learn or know what rights, if any, he has. These rights with reference to his employer and the relation he sustains to his fellow-workman, whether as a member of the union or otherwise, depend entirely, it seems, upon the individual point of view of the judge who may happen to preside over the court before whom he is arraigned. One judge will issue an injunction or restraining order, holding that the acts charged in the complaint or bill are unlawful; another judge comes upon the bench and grants a motion to dissolve upon the ground that there are no acts charged against the defendants which they had not the absolute right to do.

Upon this whole subject I cheerfully commend to those feeling an interest in this question the splendid argument made by Mr. Spelling before the committee on April 26, 1906.

One judge holds that an act innocent, and therefore entirely legal when done by one person, is still legal if done by a number of persons acting in concert, while another judge holds that the number of persons participating makes the act illegal, while still a third holds that the number does not make the act illegal unless it is so great that of itself it amounts to force or intimidation. One judge holds that motive and intention do not per se make an act illegal; another holds that an act otherwise lawful becomes criminal and unlawful if done from malicious motives and with the intention of doing harm to another. So that in this confusion of judicial ideas and diversity of opinions ranging at will throughout the broad domain of judicial discretion claimed and exercised by the judges and courts, there must necessarily exist a dangerous power which, if not restrained by statute, is always liable to be prostituted to the subversion of the rights of the citizen. It is against the abuse of this power that labor protests, and insists that some measure shall be enacted restraining the use of the writ of injunction and other extraordinary powers and processes of the equity jurisdiction of Federal courts and judges to their legitimate functions.

Sirs, our fathers in their wisdom, fresh from the fields of carnage where they had fought and won the struggle for our liberties, provided for three distinct coordinate departments of government—the legislative, the executive, the judicial—and made each of them independent of the other and of supreme and exclusive jurisdiction within their respective spheres. In that masterly statement of their grievances against the Government of King George, which they esteemed sufficient to justify armed resistance, they recalled those words that more than any other fired the hearts of the American patriots and nerved them for that mighty conflict:

He has combined with others to subject us to a jurisdiction foreign to our Constitution and unacknowledged by our laws. He has in many cases deprived us of the benefit of trial by jury.

Smarting under these grievances, the people of the United States, under the lead of Thomas Jefferson, took the precaution to place it beyond the power of any department of the Government to subject any citizen "to a jurisdiction foreign to our Constitution and unacknowledged by our laws" or to deprive any citizen "of the right of trial by jury." This was accomplished by inserting in the Constitution of the United States these plain and unambiguous provisions:

"The trial of all crimes, except in cases of impeachment, shall be by jury."—Constitution, article 3. "No person shall be held to answer for a capital or otherwise infamous crime unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia when in actual service in time of war or public danger."—Constitutional amendment, article 5. "In all criminal prosecutions the accused shall enjoy the right to a speedy and public trial by an impartial jury. * * *"—Constitution, article 6. "In suits at common law where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved."—Constitution, article 7.

These mandatory provisions of the Constitution are still vital and are not to be nullified and set aside by opposing them with the citation of a small horde of musty equity maxims and obsolete precedents originating in a monarchical government with no written constitution. No argument or reasoning can avail to deprive the citizen accused of a crime of his right to a trial by jury, guaranteed to him by the provisions of the Constitution, except in cases arising in the land and naval forces, and in the militia when in actual service in time of war or of public danger. These exceptions recited in the Constitution emphasize the right of trial by jury in all other cases. No other or different exceptions can be interpolated into that instrument at the instance of any interest or department of the Government. It is true, sir, that the right to change, alter, or even abolish government may be exercised by the people, and in the language of the Declaration of Independence, "establish a new one, laying its foundation on such principles, and organizing its powers in such form, as to them might seem most likely to effect their own safety and happiness." But, sirs, it will be observed that this power was not delegated to any one of the three separate departments of the Government, nor to all combined; it was not delegated to the Federal courts or Federal judges nor any other agency of government, but was by express language reserved to the people.

Sir, in these latter days of colonial exploitation and commercial greed we chafe under constitutional restrictions, and the dangerous tendency is everywhere manifest, not only in the different departments of the Government, and in some of our highest courts, but in the heads of the departments and subordinate bureaus of the executive branches of the public service to break away from the safe and wholesome limitations defining their boundaries. These evidences are manifest in the fraud orders issued by the Post-Office Department prohibiting the use of the mails to any citizen or business who may be suspected or believed to be using the United States mails for fraudulent or illicit purposes, and this without a day in court or the right of trial to determine the facts or inquire into the truth of the matter charged against the party to be affected. The decision of the Postmaster-General in these matters, whether right or wrong, is, under the present practice, made conclusive upon the parties. This, Mr. Chairman, is too much power to vest in the hands of any one man, or in any administrative or executive department of the Government, and there should be some relief from this autocratic rule of governmental departments, and if it can not be otherwise accomplished, then some proper legislation should be had to that end. Again, sir, it is a matter of common knowledge and within recent recollection that executive influence and suggestions have been interposed to mold and shape the course of legislation of recent date, and, sir, without regard to the wisdom of such suggestions, the propriety of this course upon the part of the President has challenged the severest criticism and resentment.

Many instances might be cited—indeed, Mr. Chairman, have been eloquently portrayed by other gentlemen upon this floor during this session, equally vulnerable and open to criticism. But, sir, I will not further digress. If this bill is passed it will not deprive the courts of any of their equity powers. It will not interfere with the exercise of these powers through the aid of any of the great writs incident to such courts. I would not wish, sir, to countenance any proposition that would impair, or likely impair any of the well-established and well-recognized powers or functions of our courts. I would not consciously advocate here or elsewhere, or support any measure that would hamper, cripple, or in any way destroy the highest efficiency of the courts. I will allow no man to excel me in paying tribute to the generally high character of our courts—their distinguished ability and integrity. I would do nothing to detract from the high respect, confidence, and esteem in which the judiciary of our country has always been held. It is because of this high sentiment of regard for our courts and the general honesty and integrity of our judges that I would favor any measure calculated to safeguard and maintain their standing. And, sir, it is no attack upon the courts nor upon the judges to undertake by such a measure as this to define in a negative way what class of rights shall not be the subject of equitable jurisdiction and to define in terms and language that will leave no discretion in the judge or court in applying the law and drawing the line between "personal" and "property" rights, and between "agreements" that are "lawful" and "agreements" that are "criminal conspiracies."

Every case withdrawn from the jurisdiction of the law courts and included in the equity jurisdiction of the courts involves a denial to the parties of the right of jury trial. This is in dero-

gation of the fundamental rights of the citizen and contrary to the genius of our whole system of jurisprudence, and unless demanded by the stern requirements of the principles of equity should not be permitted. I maintain that those decisions of the courts in which it is held that the mere right to carry on and conduct a business is a property right; that the employer has a property right in his workman, and that the right to labor is a property right in the sense that they confer upon a court the right to issue a restraining order or injunction to protect them from threatened interference by others are not supported by the weight of, but, on the contrary, they are in conflict with and opposed to the great weight of authorities; and yet these are made in many instances the sole ground upon which the courts have predicated their right to issue injunctions. These are the character of cases that have given rise to that peculiar jurisdiction of our courts denominated "government by injunction." Sir, as long as our courts and judges are capable, upright, and thoroughly honest we need have but little fears for the safety of our country. The great body of the people upon the one hand with the corrective power of the ballot, and honest and pure courts upon the other who have final supervisory power over all other branches of the Government may be safely relied upon to maintain the integrity and purity of our republican institutions and preserve the heritage of our liberties for centuries yet to come.

But, sirs, if there be one privilege that is held more sacred than another—esteemed more highly essential to the preservation of liberty—it is that of the right of trial by jury. So jealous of this right were the founders of our Government that they were unwilling to intrust the protection of the citizen to any other tribunal than that of a jury impartially selected from the body of the people in all matters vital to his personal liberty. Jefferson in his first inaugural address, in announcing the essential principles of our Government, among other things, said:

> A jealous care of the right of election by the people—a mild and safe corrective of abuses which are lopped off by the sword of revolution where peaceable remedies are unprovided; * * * freedom of religion, freedom of the press, and freedom of person under the protection of the habeas corpus and trial by juries impartially selected.

Hence it is neither strange nor an evidence of hysteria when symptoms of unrest and disquietude prevail among a large number of that class of worthy and deserving citizens who are honestly persuaded to believe, and do believe, that there are abuses in the use of these extraordinary writs by some of our courts in the exercise of their equity jurisdiction when employed in labor disputes.

Sir, in this connection it may not be unprofitable to recall some examples in English history from which we of this generation, as did our ancestors more than a century ago, may draw some lessons of instruction and wisdom. It is said that history repeats itself. No citizen of this Republic wishes to see the history of other republics that have preceded us, whose institutions were once the pride and glory of their citizenship as ours is with us, repeated in this fair domain of God's universe. No one at all familiar with the sources of corrupting power that led to the ultimate overthrow of all the republics of ancient times, will fail to discover the operation of influences here that so materially contributed to these mournful pages on which is written the tragic story of their departed glories. But, sirs, these warnings of history should but serve to quicken the public conscience, and spur to renewed energy and watchfulness, every citizen of the Republic. As Jefferson said:

> If there be those among us who would wish * * * to change our republican form of government, let them stand undisturbed as monuments of the safety with which error of opinion may be tolerated where reason is left free to combat it.

If there be those among our courts or judges who would endanger our system of jurisprudence by denying a citizen when accused of crime of his constitutional right to a trial by jury, let a courageous protest be made and remedial legislation enacted. The English people owe to the English jury more than to any one other agency the preservation of their rights and liberties as guaranteed in the Magna Charta.

They stood as the great bulwark of protection to the common people as against the aggressions and usurpations of the Crown and his dependent and servile judges. A few examples will serve to illustrate. William Penn and William Mead espoused the Quaker faith, which was offensive to the King and the ruling classes. Mr. Penn and his followers had erected a small and modest church edifice in the little town in which he resided, where he and Mead and those who held to their belief were accustomed to meet on Sundays for worship. On one Sabbath morning, when the little congregation had assembled at this church house to hear Mr. Penn preach, he found the door closed against him.

With that characteristic spirit of humility of the Quaker faith, Mr. Penn and his friends retired to a suitable place near by, where Penn began to preach to his followers, but he had scarcely begun when the police swooped down upon them, broke up the meeting, and dispersed the assembly. Instead of the real culprits who had disturbed the meeting, Mr. Penn and Mr. Mead were arrested and dragged before the court and were charged with a criminal conspiracy to disturb the public peace, by the "agreement," as was charged in the "indictment," between Penn and Mead to hold a meeting in a public place to preach. Mr. Penn was arraigned before the judge, and as under the common law at that time the defendant was entitled to a jury when charged with a crime, a jury was impanelled, and they were placed upon their trial, but denied the aid of counsel by the court. When confronted by the judge and jury and required to plead to the indictment, Mr. Penn, protesting his innocence, demanded to know of the judge under what law he was being prosecuted. The judge replied that he was being tried under the common law.

Penn insisted that this was not a sufficient answer to his request, and again asked the court to point out to him the particular law that he was charged with violating. And the judge, evidently growing impatient at what he regarded as impertinent in a prisoner at the bar, remarked that he did not feel called upon to go back through the common law of England to specify the particular law with the violation of which the prisoner was charged merely to satisfy his curiosity, and Penn again repeated that if he was charged with the violation of the common law he thought it was of such long standing that the judge could, without trouble, point out that part of it charged to be violated. At this the judge flew into a passion, and with noticeable emotion preemptorily ordered Mr. Penn to be placed in the bailiff's dock. As the court bailiffs were in the act of forcibly carrying Penn from the bar of the court he turned to the jury and said, "I charge this upon your consciences; you, the jurors, my sole triors, that unless the laws of England—laws that make no discrimination on account of religious beliefs—are upheld, maintained, and enforced, then the coat upon the back may not be claimed."

With this, his last appeal, he was removed from the bar to the bailiff's dock. The trial proceeded and when the case was submitted to the jury, the judge upon the bench in his instructions said to the jury, "that he must be permitted to say to them that the charge against the defendant was a 'criminal conspiracy,' and they should find their verdict accordingly." The jury retired in charge of the bailiff, and after deliberating over night, the next morning returned their verdict into court finding the defendant guilty only of "preaching." Upon returning this verdict the judge severely rebuked the jury, and immediately ordered them to retire to their jury room and to return a verdict according to the instructions of the court. They did so, and returned into court for the second time their verdict of not guilty; the judge not only admonished them of their violation of the instructions of the court and the law, but again sent them back to the jury room with the threat that if they did not find the defendant guilty, he would be obliged to find them for contempt. The jury, however, refused to be browbeaten and intimidated and again returned into court their verdict of not guilty.

The judge, out of humor and indignant at their insolence, at once fined each of the jurors for contempt; and but for the higher court to which they appealed reversing the judgment, the court holding that the jury did nothing more than they had the right to do, these jurors would have had to pay the fine or suffer imprisonment. Here we have an example of the heroic devotion of the English jury to the cause of English liberty and the rights of man, standing between the frowning despotism of a judicial tyrant and its would-be victims. And thus was vindicated the liberty of conscience and the right of public assemblage. But for the patriotism, courage, and loyalty of an English jury, William Penn might have languished in an English prison instead of having founded in this Western Hemisphere a great city and a great sect, with whose history his honored name and fame will ever be associated.

A bookseller, among whose publications was found a criticism of the administration of public affairs, was arrested and dragged before the court and there charged with a criminal libel. It is said by the historian in speaking of this case that although Lord Ellenborough, with his splendid powers as an advocate, reenforced with the sympathy of the court and the influence of the court officials, as the crown counsel he failed to secure a verdict of conviction from the jury trying the case.

In a burst of impassioned forensic eloquence, standing with a copy of the libel act in his hand, he said to the jury that "by virtue of the authority of this 'act,' and upon my conscience and

duty to God, I say this is a most flagrant and profane libel, and you should find the defendant guilty." But the jurors were not persuaded by the eloquence of advocacy nor overawed by the power of the court to surrender their convictions. The two judges sitting in the case both took occasion to say to the jury in turn "that the charge against the defendant was a libel, and they should so find," and the associate judge admonished the jury "that so long as he was not molested in his private affairs the private citizen had no concern to write and speak upon public matters." The jury, however, true to their consciences and loyal to their convictions, returned a verdict of not guilty, for which they were reprimanded and criticised by the judge in not following the instructions of the court. And thus was vindicated by English jurors the freedom of the press and the cardinal right to criticise the administration of public affairs. Again, seven eminent and distinguished bishops presented to the King a respectful and dignified petition praying for the enforcement of the laws of England and for certain reforms therein set out.

For this these bishops were arrested and charged with "seditious libel" and arraigned before a judge and jury for trial The judge of the court before whom they were tried instructed the jury that the defendants were guilty of the crime charged against them and peremptorially directed that a verdict be returned accordingly. The jury again refused to surrender to the dictates of judicial usurpation and returned their verdict for the defendants. The court declined to accept this verdict upon the ground that it was a violation of the instructions of the court and of the law of the land. The jury were threatened with punishment and sent back to the jury room to further consider their verdict, and after being sent back to their jury room two or three times they still held out and persisted, and finally declared they would not yield if they famished in the jury room; the judge seeing the utter folly of attempting to further coerce these sturdy, honest, and courageous men into a surrender of their love of liberty and sense of justice, finally condescended to accept their verdict and discharged the defendants. And this verdict was welcomed with expressions of joy and unbounded enthusiasm throughout the Kingdom, and was echoed from the remotest parts of the realm. And thus was vindicated the right of petition for redress of grievances.

These four great fundamental rights—the spoil of English jurors from English tyranny—constitute the corner stones of the American Republic, and must be preserved and perpetuated if we shall continue to enjoy the priceless heritage of free government. Our American juries are equally as patriotic, honest, and courageous as were the English juries, and fully as capable as were they of protecting the rights and liberties of the people, and have more than justified the wisdom of our fathers in making this institution so prominent a feature of our judicial system.

Sirs, it is recorded by an accredited historian that it was this unwavering attachment and loyal devotion to the principles of a free constitution that raised ancient Rome from her humble beginnings to that summit of happiness and glory to which she attained; that it was the loss of this that hurled her from that summit to the abyss of infamy and slavery; that it was this that inspired her senators with wisdom; that it was this that glowed in the breast of her heroes; that it was this that stood guard over her liberties, extended her dominions, gave peace at home, and commanded respect abroad. That when this decayed her magistrates lost their reverence for law and degenerated into petty tyrants and oppressors; her senators, forgetful of their dignity and debauched by public corruption, betrayed their country; her soldiers, unmindful of their relations with the community and urged only by the hope of public plunder and rapine, unfeelingly committed the most flagrant enormities and with unrelenting fury perpetrated the most cruel murders, whereby the streets of Rome were deluged with her noblest blood.

Thus the proud empress of the world lost her dominions abroad, and her inhabitants growing dissolute and abandoned, at length became consenting slaves.

And Rome passed away, an object of the derision and scorn of all succeeding nations; an everlasting monument to that world-wide truth, that eternal vigilance is the price of all liberty.

Yes, sirs, Rome was changed from a republic to an empire. The Roman eagles, once held aloft by the sturdy hands of freemen at the head of victorious legions, fell into the nerveless grasp of serfs and slaves, and, torn and rent into waring factions and predatory bands, became the easy prey of their own folly—spoliations and plunder. Deeply embedded in the very core and center, web and woof, of her tragic history, running like a thread through all its shifting scenes and changing forms, were the fundamental principles of human right and of human liberty. It was the initial test, as it were, of the capacity of man for self-government. At the supreme moment of her greatest prosperity and apparent security came the crucial ordeal of her vitality and strength. In the struggles of her adversity she had expanded, grown—gathered strength, power, and national renown.

In the plenitude of her power and vaunted glory she fell. The most instructive lessons to be drawn from the history of her rise and fall are those that illustrate the influences that produced these two opposite results. We have in the suggestions already referred to a brief summary of the general causes that contributed to the catastrophe of her final and ultimate downfall. And yet, Mr. Chairman, it is a fact well understood with the student of history that the most potential factor in the beginning of this work of destruction, the most effective agencies contributing to this end, was the abuse of the powers of the Roman tribunes, as all inordinate powers are abused—the abuse of the use of the writ of injunction and other high prerogative writs of that court. First employed to prohibit, then to command, then to coerce, then came the Emperor. The people, harassed, worn out, and overawed by the vexatious annoyances and oppressions through these agencies of arbitrary power and judicial usurpation, were finally broken in spirit and yielded submissively to their hopeless fate, crying out as with one voice, *Ave Emperator.* Then arose Carl the Great, who became first Emperor of the Roman Empire in the Middle Ages. The gradual but ever dangerous and insidious encroachment, extension, and usurpation of the power to enjoin and prohibit ripened into and became the undisputed power of one man to legislate, adjudicate, and execute.

The end was soon to follow. Of all the sinister influences that menace the Republic and threaten the liberties of the people, there are none more to be dreaded, none to be more jealously guarded against than judicial encroachment and judicial usurpation.

Rome, imperial Rome, that from her throne of beauty, grandeur, and glory once ruled the world; Athens, from whose seat of culture and fountains of knowledge poured forth that perennial stream of erudite philosophies and learning that enriched the literature of the age and lifted the civilization of the world to a higher plane; and Venice, more beautiful than all her rivals, to and from whose marts and ports, came and went, convoys of the world's commerce, whose sails whitened every sea, and to whom the waves sang hosannas. These, Sirs, have all perished from the face of the earth. But they perished not from foes without; not from invasion of Goth or Hun or Vandal, but from internal decay; from moral and political corruption from within; from debauchment of the public conscience; from a betrayal of all the powers of government into the hands of the few; from the accumulation of excessive and idle wealth in the hands of the plutocratic classes; from riotous and voluptuous living, and all the vicious brood of destroying and demoralizing influences following in their wake.

These, sir, were the fountain sources of corruption from which emanated the noxious poisons that planted the seeds of dissolution and decay in the body politic of these ancient but once proud and powerful republics of the past. In the shifting scenes of this transformation—these national tragedies—the people were deprived of their liberties and reduced to beggary, want, and servitude. Political preferment and places of public trust, no longer the just reward for honest merit, were sold on the auction block to the highest bidder in the open market places. All positions of honor and stations of power became the spoil of wealth and the coveted prize of the most venal and corrupt, and these purchases of wealth were utilized as so many additional agencies in the hands of these servile tools to still further oppress and enslave the masses.

Sir, I am not a pessimist, and do not sympathize with those whose visions are focused on the political horizon, intent in discovering some omen of political disaster in the near or remote future. I prefer, sir, to cast my lot with that more numerous and congenial company—with the great majority of strong, bouyant, and hopeful American citizens whose visions are turned to the rising sun, and whose delight it is to survey the present and contemplate the future with the confident assurance that American patriotism, statesmanship, and courage are equal to any emergency that may now or in the future confront our beloved country, and to wisely deal with any situation that may for the moment appear to threaten the stability and peace of our social order and the supremacy of law—the chief if not the sole reliance for the safety of our institutions.

With an unsurpassed record of achievements in the past; with the increased strength and added prestige of a successful and satisfactory solution of the most difficult problems that ever challenged the wisdom or taxed the resources of a great nation, to our credit; having advanced to the forefront, and holding

the primacy among all the nations of the earth; with an external trade exceeding $3,000,000,000, and a domestic commerce exceeding $26,000,000,000; with a public domain and undeveloped national resources unsurpassed in the world's history; with an industrial system that produces annually hundreds of millions in excess of our capacity to consume, there seems no valid or adequate reason why our people should not be happy, contented, and prosperous. If there be just and reasonable grounds for the assertion of the wage-earners and workingmen that they do not in all cases receive a fair and just proportion of the profits of their labor, and are not dealt with in their labor disputes and controversies upon the same high plane of justice as that of their employers, this is not so much the fault of the laws as of their abuse in administration, in the one case, and of the hardened greed and avarice of the employer in the other. In either case I want now and here to declare not only my willingness to support, but to use my best efforts to promote, such measures of legislation within constitutional limits as shall secure to labor and to labor organizations their just legal rights.

To this end I shall insist that H. R. 18752 shall be taken up and reported out of committee to this House at the very earliest opportunity and then considered here, where its merits may be fully discussed and members may have an opportunity of voting upon it. There is nothing in this bill that should not command in my judgment the willing support of every friend of labor. This large class of our most worthy and deserving citizens have received but scant recognition at the hands of Congress. They have not been overzealous in pressing for legislation, and with rare exceptions have always been exceedingly conservative. I listened a few days ago with much interest to the very able and eloquent speech of my distinguished colleague from Indiana [Mr. C. B. LANDIS], as he portrayed the virtues of the protective tariff policy of the Republican party and the sacred schedules of the Dingley law. I was also delighted to hear a few days later on this same subject the distinguished gentleman from Pennsylvania [Mr. DALZELL], the most eloquent and able champion upon the floor of this House of this his favorite subject. Both of these gentlemen, as do all Republican advocates of protection, spent a good portion of their time and devoted a good part of their speeches to the laborer and the benefits afforded to the laboring men of this country by the protective policy. In fact almost the sole reason assigned for their support of this policy was the benefits it gave to the labor of the country. I shall not attempt here to discuss this matter. It is entirely foreign to the subject of my speech; but I had some wandering curiosity to know, and the thought occurred to my mind at the time, how these gentlemen stood upon the subject of protecting labor and labor organizations against the unwarranted interference by "Government by injunction" with the rightful and lawful efforts of the great labor organizations of the country to secure fair treatment and a fair wage from their corporate and trust employers, who above all other interests have shared the favors of the stand-patters, and have amassed fortunes beyond the dream of avarice. I seriously question if either of these professed champions of a strictly partisan policy would so willingly come to the rescue of the wage-earner and laboring man in a contest where they can not use him and the sentiment such appeal invokes in behalf of their party and partisan politics.

If so, they have neither of them thus far exhibited any symptoms of such inclination by speaking out in protest, or offering any such assistance, notwithstanding several bills have been pending for several terms of Congress asking for some relief of this kind, and none yet reported. If, however, it should be that either one or both should favor such a measure it may safely be assumed that their party are not friendly to the bill, and will more than likely save them from any test of their sincerity. I was also highly entertained, as was the House, by the tribute paid to the achievements of our country and its marvelous prosperity under the Republican party.

I heartily joined them in their expressions of eulogy and felt a thrill of pride in the captivating picture drawn of our greatness, our grandeur, and glory as a nation. But I confess I was so simple-minded as to think that they should have been generous enough to have given to the Almighty, at least in small part, some of the credit for all this national abundance. It occurred to my poor way of looking at things that at least some importance should have been given to the rains, the sunshine, the seasons, and in small degree some allowance made for the climate and soil. I thought perhaps there might have been in some mysterious way associated with these national blessings the natural resources of our wonderful country—of our mines of gold and silver, coal and other ores, and the energy, industry, and intelligence of a highly civilized and progressive people. But in all this we were evidently in error in these mental cogitations. It was all due to the "tariff" and the "fossilized stand-patters."

But, Mr. Chairman, I do not believe that the achievements that have made us the foremost nation of the world—the marvel of the ages—are the fruits of the policy of protection, nor of any policy or policies of government. I do not believe the chief glory of this country consists of the achievements of the Republican party, nor any other political party or parties. I do not believe it consists of its Army and Navy, with all their illustrious annals of glorious achievements upon land and sea. I do not believe it consists in its more than $3,000,000,000 of international trade and of its more than $26,000,000,000 of interstate commerce, stupendous and great as they are. I do not believe it consists of its imperial domain and the vast extent of its agriculture, nor of its fields, its forges, and factories; its mines and its mints; its great captains of industry and kings of high finance, nor all of these combined.

Mr. Chairman, the chief glory of our nation—the brightest gem in the jeweled crown of this Republic—is its more than 80,000,000 of a homogenous, cultured, honest, industrious, and patriotic citizenship, whose genius, skill, and ability challenge the admiration and command the respect of the world. And that among these, and the pride of all, is that noble band of brawn and brain—that splendid army of over 5,000,000 of American wage-earners and industrial toilers in the manufacturing industries of the nation, and that still greater army of over 20,000,000 engaged in other fields of manual labor, the bone and sinew of the land, the inspiration, hope, and mainstay to our industrial fabric and economic life in time of peace and chief reliance in time of war. These, sir, constitute my conception of the chief and overshadowing greatness, grandeur, and glory of this Republic, so beautifully described by Sir William Jones that I quote his words:

What constitutes a State?
Not high-raised battlement or labored mound,
Thick wall or moated gate;
Not cities proud with spires and turrets crowned;
Not bays and broad-armed ports,
Where, laughing at the storm, rich navies ride;
Not starred and spangled courts,
Whose low-browed baseness wafts perfume to pride;
No; men, high-minded men,
Whose minds are as far above the brutes
Endowed, as brutes excel cold rocks
And brambles rude, in forest break or den;
Men who their rights and duties know,
And knowing dare maintain,
Present the long-aimed blow,
And crush the tyrant while they rend the chain;
These constitute a State.

[Loud applause.]

Mr. PAYNE. Mr. Chairman, I move that the committee do now rise.

Mr. SULZER. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to conclude his remarks. I will ask that he be allowed ten minutes more.

Mr. PAYNE. I object to that. It is now 11 o'clock.

Mr. ZENOR. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman? [After a pause.] The Chair hears none.

Mr. PAYNE. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. PAYNE having assumed the chair as Speaker pro tempore, Mr. CAPRON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 19750 and had come to no resolution thereon.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. WACHTER, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bills:

H. R. 18544. An act granting an increase of pension to John W. Coates;

H. R. 18606. An act granting an increase of pension to Maria A. Maher;

H. R. 18609. An act granting an increase of pension to Henry Delong;

H. R. 18631. An act granting an increase of pension to Daniel Whalen;

H. R. 18656. An act granting an increase of pension to George W. Gordon;

H. R. 18657. An act granting an increase of pension to Nicholas Schue;

H. R. 18694. An act granting an increase of pension to Eliza Rebecca Sims;

H. R. 18720. An act granting an increase of pension to Ella Donnald;
H. R. 18764. An act granting an increase of pension to Mary M. Stone;
H. R. 18829. An act granting an increase of pension to William Fox;
H. R. 18833. An act granting an increase of pension to Henry Horton;
H. R. 18836. An act granting an increase of pension to John N. Burton;
H. R. 18869. An act granting an increase of pension to Ellis L. Ayers;
H. R. 18876. An act granting an increase of pension to Lemuel Hand;
H. R. 18888. An act granting an increase of pension to Samuel Lambert;
H. R. 18896. An act granting an increase of pension to Samuel Smith;
H. R. 18901. An act granting an increase of pension to John E. English;
H. R. 18903. An act granting an increase of pension to Julia A. Abney;
H. R. 18904. An act granting an increase of pension to Henrietta G. Carter;
H. R. 16620. An act granting a pension to Jackson Adkins;
H. R. 16807. An act granting an increase of pension to Isabella Ellis;
H. R. 16836. An act granting an increase of pension to David C. Winebrener;
H. R. 16857. An act granting an increase of pension to Jeremiah Y. Antrim;
H. R. 16973. An act granting an increase of pension to John H. Smith;
H. R. 17015. An act granting an increase of pension to Osbert D. Dickey;
H. R. 17271. An act granting an increase of pension to James D. Taylor;
H. R. 17332. An act granting an increase of pension to Joseph H. Truax;
H. R. 17393. An act granting an increase of pension to George S. Green;
H. R. 17528. An act granting an increase of pension to Edgar Slater;
H. R. 17603. An act granting an increase of pension to George E. Yager;
H. R. 17632. An act granting an increase of pension to John Frick;
H. R. 17652. An act granting an increase of pension to Joseph Lawrence;
H. R. 17673. An act granting an increase of pension to Jacob H. Heck;
H. R. 17705. An act granting an increase of pension to John A. Lovens;
H. R. 17732. An act granting an increase of pension to Joseph Scott;
H. R. 17780. An act granting a pension to Caroline E. Perry;
H. R. 17896. An act granting an increase of pension to James K. Dickinson;
H. R. 17901. An act granting an increase of pension to Douglas A. Hunt;
H. R. 18092. An act granting an increase of pension to Andrew M. Logan;
H. R. 18109. An act granting an increase of pension to Abraham E. Sheppard;
H. R. 18124. An act granting an increase of pension to Theodore T. Davis;
H. R. 18125. An act granting an increase of pension to Wilhelm Griese;
H. R. 18165. An act granting an increase of pension to Jacob Stauff;
H. R. 18320. An act granting an increase of pension to Jonathan M. Hunter;
H. R. 18360. An act granting an increase of pension to Fanny G. Pomeroy;
H. R. 18384. An act granting an increase of pension to James F. Young;
H. R. 18409. An act granting an increase of pension to Joel Gay;
H. R. 1143. An act granting an increase of pension to Ephraim D. Achey;
H. R. 2223. An act granting an increase of pension to John A. Blanton;
H. R. 2772. An act granting an increase of pension to Eli Cero;
H. R. 2789. An act granting an increase of pension to Merrill Johnson;
H. R. 4891. An act granting an increase of pension to George W. Swadley;
H. R. 4967. An act granting an increase of pension to Joshua Holcomb;
H. R. 5834. An act granting an increase of pension to Ethan A. Willey;
H. R. 6944. An act granting an increase of pension to David P. Kimball;
H. R. 7683. An act granting an increase of pension to James Ross;
H. R. 7910. An act granting an increase of pension to Nicholas Karns;
H. R. 8214. An act granting an increase of pension to Joseph Slagg;
H. R. 9101. An act granting an increase of pension to James W. Loomis;
H. R. 10031. An act granting an increase of pension to Martin Haley;
H. R. 10267. An act granting an increase of pension to David W. Farington;
H. R. 11072. An act granting an increase of pension to William T. Hosley;
H. R. 11841. An act granting an increase of pension to Isaac A. McCulley;
H. R. 12400. An act granting an increase of pension to Charles H. Sweeney;
H. R. 14211. An act granting an increase of pension to Deborah J. Pruitt;
H. R. 14257. An act granting an increase of pension to Fleming H. Freeland;
H. R. 14500. An act granting an increase of pension to Margaretta E. Hutchins;
H. R. 15063. An act granting an increase of pension to Henry W. Brown;
H. R. 15105. An act granting an increase of pension to Jacob Sheil;
H. R. 15542. An act granting an increase of pension to Charles E. Tompkins;
H. R. 16371. An act granting an increase of pension to Peter Eberts;
H. R. 16399. An act granting an increase of pension to James H. Warford;
H. R. 16875. An act granting an increase of pension to John K. Hart;
H. R. 18398. An act granting an increase of pension to Susan R. Freeman;
H. R. 18428. An act granting an increase of pension to James L. Gamble;
H. R. 18451. An act granting an increase of pension to Alexander B. Wilson;
H. R. 18475. An act granting an increase of pension to Joseph F. Cook;
H. R. 18504. An act granting an increase of pension to James T. Rambo;
H. R. 18543. An act granting an increase of pension to James M. Follin;
H. R. 18623. An act granting an increase of pension to John H. Bradberry;
H. R. 18624. An act granting an increase of pension to Robert L. Fulton;
H. R. 18769. An act granting an increase of pension to Louisa Story;
H. R. 18772. An act granting an increase of pension to Lorenzo G. Tomaselli;
H. R. 18784. An act granting an increase of pension to Patrick Fitzgerald;
H. R. 18790. An act granting an increase of pension to James Murphy;
H. R. 18813. An act granting an increase of pension to Sarah A. Dawson;
H. R. 18816. An act granting an increase of pension to Harriet Weatherby;
H. R. 19053. An act granting an increase of pension to John T. Heaney;
H. R. 19091. An act granting an increase of pension to Ernest Langeneck;
H. R. 19245. An act granting an increase of pension to William C. Hoover;
H. R. 19255. An act granting an increase of pension to John Bradford;
H. R. 19337. An act granting an increase of pension to Elizabeth C. Kennedy;

H. R. 19389. An act granting an increase of pension to Lewis Marquis;
H. R. 19495. An act granting an increase of pension to Andrew P. Glaspie;
H. R. 19533. An act granting an increase of pension to Mary A. Hall;
H. R. 19538. An act granting an increase of pension to Sarah Jane Dougherty;
H. R. 609. An act granting an increase of pension to Horace H. Sickels;
H. R. 1206. An act granting an increase of pension to Allen Crow;
H. R. 1217. An act granting an increase of pension to Spillard F. Horrall;
H. R. 1294. An act granting an increase of pension to George W. Van De Bogert;
H. R. 1507. An act granting an increase of pension to Henry D. Jordan;
H. R. 1549. An act granting an increase of pension to Louis H. Gein;
H. R. 1689. An act granting an increase of pension to William A. Bailor;
H. R. 1836. An act granting an increase of pension to Hiram B. Thomas;
H. R. 2053. An act granting an increase of pension to Annie A. Townsend;
H. R. 2229. An act granting an increase of pension to Lytle McCracken;
H. R. 2410. An act granting an increase of pension to Saturnin Jasnowski;
H. R. 2714. An act granting an increase of pension to Charles H. Charles;
H. R. 2759. An act granting an increase of pension to Daniel Eaton;
H. R. 2867. An act granting an increase of pension to Leah Bedford;
H. R. 3222. An act granting an increase of pension to George Merrill;
H. R. 3238. An act granting an increase of pension to Samuel Hartley;
H. R. 3369. An act granting an increase of pension to Albert Sriver;
H. R. 3724. An act granting an increase of pension to Samuel Likens;
H. R. 4397. An act granting an increase of pension to John M. Byers;
H. R. 4647. An act granting an increase of pension to David C. Austin;
H. R. 4659. An act granting an increase of pension to John F. Morris;
H. R. 4885. An act granting an increase of pension to James Hennon;
H. R. 4887. An act granting an increase of pension to John F. Brown;
H. R. 5554. An act granting an increase of pension to James T. Saunderson, alias Sanderson;
H. R. 5567. An act granting an increase of pension to Sanford Weaver;
H. R. 5707. An act granting an increase of pension to John P. Veach;
H. R. 6181. An act granting an increase of pension to Fayette E. Ford;
H. R. 6190. An act granting an increase of pension to John J. Schneller;
H. R. 6201. An act granting an increase of pension to George W. Laking;
H. R. 6421. An act granting an increase of pension to Reuben Van Buskirk;
H. R. 6423. An act granting an increase of pension to Levi A. Canfield;
H. R. 6510. An act granting an increase of pension to Richard A. Roberts;
H. R. 6900. An act granting an increase of pension to John Rawling;
H. R. 6914. An act granting an increase of pension to John Hecker;
H. R. 7539. An act granting an increase of pension to David H. Hair;
H. R. 7543. An act granting an increase of pension to Prior M. Pavy;
H. R. 7652. An act granting an increase of pension to Charles W. Timms;
H. R. 7871. An act granting an increase of pension to Jerome L. Brown;
H. R. 7508. An act granting an increase of pension to Benjamin F. Andrews;
H. R. 7589. An act granting an increase of pension to Robert A. Scott;
H. R. 8285. An act granting an increase of pension to Daniel Sharpley;
H. R. 8291. An act granting an increase of pension to Daniel S. Chase;
H. R. 8903. An act granting an increase of pension to John W. Dawes;
H. R. 8920. An act granting an increase of pension to Andrew J. Lane;
H. R. 8934. An act granting an increase of pension to Wesley A. J. Mavity;
H. R. 8552. An act granting an increase of pension to Elisha G. Horton;
H. R. 9159. An act granting an increase of pension to John S. McClary;
H. R. 9876. An act granting an increase of pension to William H. H. Mallalieu;
H. R. 10224. An act granting an increase of pension to David Bussey, alias George Brown;
H. R. 10280. An act granting an increase of pension to James Spencer;
H. R. 10282. An act granting an increase of pension to Emma E. Goodwin;
H. R. 10356. An act granting an increase of pension to Martin B. Doty;
H. R. 10394. An act granting an increase of pension to John Behymer;
H. R. 10474. An act granting an increase of pension to Lewis F. Davis;
H. R. 10563. An act granting an increase of pension to Joseph D. Cummins;
H. R. 10604. An act granting an increase of pension to Martin L. Holcomb;
H. R. 10902. An act granting an increase of pension to James Holderby;
H. R. 10965. An act granting an increase of pension to Mortimer F. Sperry;
H. R. 11100. An act granting an increase of pension to John Browne;
H. R. 18030. An act making appropriations for the support of the Military Academy for the fiscal year ending June 30, 1907, and for other purposes;
H. J. Res. 92. Joint resolution authorizing the Secretary of War to deliver to the Southern Historical Society certain unidentified battle flags;
H. R. 7. An act to provide a seal for United States commissioners;
H. R. 19374. An act to prohibit shanghaiing in the United States;
H. R. 13190. An act to protect birds and their eggs in game and bird preserves;
H. R. 12252. An act for the relief of the heirs at law of Massalon Whitten, deceased;
H. R. 19379. An act providing for the manner of selecting and impaneling juries in the United States courts in the Territory of New Mexico;
H. R. 15078. An act granting to the Ocean Shore Railway Company a right of way for railroad purposes across Pigeon Point Light-House Reservation, in San Mateo County, Cal.;
H. R. 17945. An act authorizing the Borderland Coal Company to construct a bridge across Tug Branch of Big Sandy River;
H. R. 9721. An act to amend section 5481 of the Revised Statutes of the United States;
H. R. 10074. An act in relation to contracts with the District of Columbia;
H. R. 11501. An act to amend an act to provide for circuit and district courts of the United States at Albany, Ga.;
H. R. 19607. An act for the acknowledgment of deeds and other instruments in Guam, Samoa, and the Canal Zone to affect lands in the District of Columbia and other Territories;
H. R. 16013. An act providing medals for certain persons; and
H. R. 15333. An act for the division of the lands and funds of the Osage Indians in Oklahoma Territory, and for other purposes.

ADJOURNMENT.

Mr. CAPRON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 11 o'clock and 1 minute p. m.) the House adjourned until to-morrow.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, the following executive communications were taken from the Speaker's table and referred by the Speaker as follows:

A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report of examination of Fire Island Inlet, New York—to the Committee on Rivers and Harbors, and ordered to be printed.

A letter from the Postmaster-General submitting a statement of fact relating to payment of the claims of the Philadelphia Supply Company—to the Committee on Claims, and ordered to be printed.

A letter from the Postmaster-General, submitting the claims of J. J. Cole, acting postmaster, and Frank W. Swanton, postmaster, at Nome, Alaska—to the Committee on Claims, and ordered to be printed.

A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings filed by the court in the case of William B. Payne against the United States—to the Committee on War Claims, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions of the following titles were severally reported from committees, delivered to the Clerk, and referred to the several Calendars therein named, as follows:

Mr. BENNET of New York, from the Committee on Private Land Claims, to which was referred the bill of the House (H. R. 15242) to confirm to the legal representatives of Lucretia Williams the title to 1 square league of land in Louisiana, reported the same with amendment, accompanied by a report (No. 5035); which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. CHARLES B. LANDIS, from the Committee on Foreign Affairs, to which was referred the House resolution (H. Res. 602) requesting the Secretary of State to furnish information to the House of Representatives touching the operation of postal savings banks, through diplomatic representatives of the United States abroad, reported the same with amendment, accompanied by a report (No. 5042); which said resolution and report were referred to the House Calendar.

Mr. STEVENS of Minnesota, from the Committee on Interstate and Foreign Commerce, to which was referred the bill of the House (H. R. 17972) to extend the time for the construction of a bridge and approaches thereto across the Missouri River at or near South Omaha, Nebr., reported the same without amendment, accompanied by a report (No. 5047); which said bill and report were referred to the House Calendar.

Mr. FOWLER, from the Committee on Banking and Currency, to which was referred the bill of the House (H. R. 20021) for the issue and redemption of national-bank notes and for the gradual conversion of the United States notes into gold certificates, reported the same, accompanied by a report (No. 5043); which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions of the following titles were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. MEYER, from the Committee on Naval Affairs, to which was referred the bill of the House (H. R. 15027) to remove the charge of desertion against Cornelius O'Callaghan, reported the same with amendment, accompanied by a report (No. 5041); which said bill and report were referred to the Private Calendar.

Mr. GROSVENOR, from the Committee on the Merchant Marine and Fisheries, to which was referred the bill of the Senate (S. 6004) to provide an American register for the steam yacht *Waturus*, reported the same without amendment, accompanied by a report (No. 5048); which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. OVERSTREET: A bill (H. R. 20451) to authorize William C. Brown, Charles E. Schaff, Hadley Baldwin, William M. Duane, and John Q. Van Winkle to construct a bridge across the Wabash River—to the Committee on Interstate and Foreign Commerce.

By Mr. YOUNG: A bill (H. R. 20452) to establish range lights on Munising Harbor, Michigan—to the Committee on Interstate and Foreign Commerce.

By Mr. LARRINAGA: A bill (H. R. 20453) to amend an act approved March 3, 1903, entitled "An act making appropriations for the support of the Military Academy for the fiscal year ending June 30, 1904, and for other purposes"—to the Committee on Military Affairs.

By Mr. BURTON of Ohio: A joint resolution (H. J. Res. 183) providing for the printing of reports ordered by the river and harbor act of March 3, 1905—to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. ANDREWS: A bill (H. R. 20454) for the relief of John S. Bowie—to the Committee on Claims.

By Mr. BRADLEY: A bill (H. R. 20455) granting an increase of pension to Harvey McCollum—to the Committee on Invalid Pensions.

By Mr. DAVIS of Minnesota: A bill (H. R. 20456) granting an increase of pension to Franz Schrupp—to the Committee on Invalid Pensions.

By Mr. FOSTER of Indiana: A bill (H. R. 20457) granting an increase of pension to Simeon Noble—to the Committee on Invalid Pensions.

By Mr. FRENCH: A bill (H. R. 20458) granting a pension to Mary S. Stewart—to the Committee on Invalid Pensions.

By Mr. GRAFF: A bill (H. R. 20459) granting an increase of pension to Benjamin Swayze—to the Committee on Invalid Pensions.

By Mr. REEDER: A bill (H. R. 20460) granting an increase of pension to Bartholomew Hennerich—to the Committee on Invalid Pensions.

By Mr. SHERLEY: A bill (H. R. 20461) to reinstate Kenneth G. Castleman as a lieutenant in the Navy—to the Committee on Naval Affairs.

By Mr. STEVENS of Minnesota: A bill (H. R. 20462) granting an increase of pension to George Brookins—to the Committee on Invalid Pensions.

By Mr. WADSWORTH: A bill (H. R. 20463) granting an increase of pension to Nicholas D. Kenny—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. ALLEN of New Jersey: Petition of the Junior Order United American Mechanics of New Jersey, for the immigration bill—to the Committee on Immigration and Naturalization.

By Mr. BARTLETT: Petition of Edward H. Horn, State secretary of Georgia, of the Knights of Columbus, for a suitable monument to Christopher Columbus—to the Committee on the Library.

By Mr. BENNET of New York: Petition of the Harlem Civic Assembly, in public assembly, against a restrictive immigration bill—to the Committee on Immigration and Naturalization.

Also, petition of several hundred citizens of New York, against the Dillingham-Gardner bill—to the Committee on Immigration and Naturalization.

Also, petition of the Philip Rosenthal Association of the sixth assembly district of New York City, against the Dillingham-Gardner immigration bill—to the Committee on Immigration and Naturalization.

By Mr. BENNETT of Kentucky: Papers to accompany bills for relief of Samuel Richie and Jessie Blair—to the Committee on Invalid Pensions.

Also, petition of the Ex-Prisoners of War Association, for pensions for Union ex-prisoners of war—to the Committee on Invalid Pensions.

By Mr. McKINNEY: Petition of citizens of the Fourteenth district of Illinois, for investigation of affairs in the Kongo Free State—to the Committee on Foreign Affairs.

By Mr. REYNOLDS: Paper to accompany bill for relief of John Fleegle—to the Committee on Invalid Pensions.

By Mr. RUPPERT: Petition of the Harlem Civic Club in public assembly, of New York, against bill S. 4403 (the restrictive immigration bill)—to the Committee on Immigration and Naturalization.

By Mr. RYAN: Petition of the Buffalo General Club, of Buf-

falo, N. Y., against the immigration bill—to the Committee on Immigration and Naturalization.

Also, petition of Lodges Nos. 47, 544, and 572, Brotherhood of Railway Trainmen, for the educational clause in the immigration bill—to the Committee on Immigration and Naturalization.

By Mr. STEVENS of Minnesota: Petition of the Minnesota Association ex-Prisoners of War, for the Hamilton bill granting pensions to ex-Union prisoners of war, 1861 to 1865—to the Committee on Invalid Pensions.

By Mr. SULZER: Petition of N. Redmiss and Julius Hahn, against the Dillingham-Gardner bill—to the Committee on Immigration and Naturalization.

Also, petition of the German-American Arbitration Conference, for furtherance of arbitration treaties—to the Committee on Foreign Affairs.

Also, petition of the United German Societies, of New York City, for arbitration treaties—to the Committee on Foreign Affairs.

Also, petition of the New Immigrant Protective League, for better distribution of immigrants—to the Committee on Immigration and Naturalization.

Also, petition of the New Immigrant Protective League, against the Dillingham-Gardner bill—to the Committee on Immigration and Naturalization.

Also, petition of the Board of Trade of the city of Chicago, for Government inspection of meat-packers' products—to the Committee on Agriculture.

Also, petition or resolution of the National German-American Alliance, for furtherance of treaties of arbitration—to the Committee on Foreign Affairs.

By Mr. WATKINS: Petition of the Beacon, of Grand Cane; the Sabine Banner, of Sabine Lake; the Journal, of Shreveport, La., and the Dodson Times, of Dodson, La., against the tariff on linotype machines—to the Committee on Ways and Means.

SENATE.

THURSDAY, *June 28, 1906.*

Prayer by Rev. OLIVER JOHNSON, of Leslie, S. C.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. HALE, and by unanimous consent, the further reading was dispensed with.

The VICE-PRESIDENT. The Journal stands approved.

RAILROAD DISCRIMINATIONS AND MONOPOLIES.

The VICE-PRESIDENT laid before the Senate a communication from the Interstate Commerce Commission, stating, in response to a resolution of May 2, 1906, that a detailed report of findings of fact and its conclusions thereon in regard to the subjects now under investigation or already investigated under joint resolution No. 32, approved March 7, 1906, for reasons set forth can not now be made, but will be prepared and submitted without any unnecessary delay; which, with the accompanying paper, was referred to the Committee on Interstate Commerce, and ordered to be printed.

LIFE-SAVING SERVICE AT SAN FRANCISCO, CAL.

The VICE-PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting a letter from the General Superintendent of the Life-Saving Service submitting an estimate of appropriation for inclusion in the general deficiency appropriation bill for reimbursement of the Life-Saving Service for stores and supplies destroyed by fire on or about April 18, 1906, at San Francisco, Cal., etc., $3,500; which, with the accompanying paper, was referred to the Committee on Appropriations, and ordered to be printed.

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 amendments of the Senate to the following bills:

H. R. 717. An act granting an increase of pension to Oscar B. Morrison;

H. R. 4599. An act to remove the charge of desertion from the military record of Wakeland Heryford;

H. R. 12982. An act granting an honorable discharge to Seth Davis;

H. R. 13836. An act for the relief of Taylor Ware; and

H. R. 14930. An act granting a pension to Mary Whisler.

The message also announced that the House had passed the bill (S. 6443) authorizing and directing the Secretary of the Interior to sell to the city of Los Angeles, Cal., certain public lands in California and granting rights in, over, and through the Sierra Forest Reserve, the Santa Barbara Forest Reserve, and the San Gabriel Timber Land Reserve, Cal., to the city of Los Angeles, Cal., with an amendment, in which it requested the concurrence of the Senate.

The message further 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 House to the bill (S. 5769) defining the right of immunity of witnesses under the act entitled "An act in relation to testimony before the Interstate Commerce Commission," etc., approved February 11, 1893, and an act entitled "An act to establish the Department of Commerce and Labor," approved February 14, 1903, and an act entitled "An act to further regulate commerce with foreign nations and among the States," approved February 19, 1903, and an act entitled "An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1904, and for other purposes," approved February 25, 1903.

The message also announced that the House had agreed to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the following bills:

H. R. 7099. An act to amend section 2871 of the Revised Statutes;

H. R. 10610. An act for the relief of James N. Robinson and Sallie B. McComb; and

H. R. 13193. An act to prohibit the killing of wild birds and wild animals in the District of Columbia.

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

H. R. 20176. An act to authorize the Missouri Central Railroad Company to construct and maintain a bridge across the Missouri River near the city of Glasgow, in the State of Missouri; and

H. R. 20403. An act making appropriations to supply deficiencies in the appropriations for the fiscal year ending June 30, 1906, and for prior years, and for other purposes.

The message also returned to the Senate, in compliance with its request, the joint resolution (S. R. 70) providing for the improvement of a certain portion of the Mississippi River.

ENROLLED JOINT RESOLUTIONS SIGNED.

The message further announced that the Speaker of the House had signed the following joint resolutions; and they were thereupon signed by the Vice-President:

H. J. Res. 178. Joint resolution providing for the improvement of the harbor at South Haven, Mich.; and

H. J. Res. 179. Joint resolution providing for the improvement of a certain portion of the Mississippi River.

HOUSE BILL REFERRED.

The bill (H. R. 20403) making appropriations to supply deficiencies in the appropriations for the fiscal year ending June 30, 1906, and for prior years, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

PETITIONS AND MEMORIALS.

The VICE-PRESIDENT presented a memorial of the Virginia Federation of Labor, of Richmond, Va., remonstrating against the passage of the so-called "ship-subsidy bill;" which was ordered to lie on the table.

Mr. BURKETT presented a petition of sundry citizens of Poole, Nebr., praying for an investigation into the existing conditions in the Kongo Free State; which was referred to the Committee on Foreign Relations.

Mr. OVERMAN (for Mr. DUBOIS) presented sundry petitions of citizens of Idaho, praying for an investigation of the charges made and filed against Hon. REED SMOOT, a Senator from the State of Utah; which were ordered to lie on the table.

REPORTS OF COMMITTEES.

Mr. SCOTT, from the Committee on Public Buildings and Grounds, to whom was referred the bill (S. 6468) ceding certain land appertaining to the post-office building at Reno, Nev., for use as a street, reported it without amendment, and submitted a report thereon.

Mr. FORAKER, from the Committee on Military Affairs, to whom was referred the bill (S. 4477) for the relief of Daniel B. Murphy, reported it without amendment.

Mr. NELSON, from the Committee on Commerce, to whom was referred the bill (H. R. 20290) to amend the river and harbor act of March 3, 1905, reported it without amendment.