

A bill (S. 4421) to correct the military record of A. J. Arnold; and

A bill (S. 4422) to authorize the President of the United States to appoint John Archibald McAllister, jr., captain and quartermaster in the Army (with an accompanying paper).

He also introduced a bill (S. 4423) for the relief of Mary A. Coulson, executrix of Sewell Coulson, deceased, which was read twice by its title and referred to the Committee on Claims.

Mr. HALE introduced a bill (S. 4424) granting an increase of pension to Timothy Bresnahan, which was read twice by its title and referred to the Committee on Pensions.

Mr. KEAN introduced a bill (S. 4425) granting an increase of pension to Margaret Clark, which was read twice by its title and referred to the Committee on Pensions.

Mr. PILES introduced the following bills, which were severally read twice by their titles and referred to the Committee on Claims:

A bill (S. 4426) for the relief of Thomas C. Clark; and

A bill (S. 4427) for the relief of Hastings Steamboat Company.

Mr. KITTREDGE introduced a bill (S. 4428) granting an increase of pension to Leonard Davis, which was read twice by its title and, with the accompanying papers, referred to the Committee on Pensions.

Mr. BAILEY (by request) introduced the following bills, which were severally read twice by their titles and referred to the Committee on Claims:

A bill (S. 4429) for the relief of the estate of Lee Arnold, deceased; and

A bill (S. 4430) for the relief of the estate of Robert McCoy, deceased.

Mr. CULLOM introduced a bill (S. 4431) for the relief of James Finnegan and the heirs of Thomas Nesdall, deceased, which was read twice by its title and referred to the Committee on Claims.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. BULKELEY submitted an amendment relative to machine and automatic guns, including their carriages, sights, implements, and equipments for use in the Army, etc., intended to be proposed by him to the Army appropriation bill, which was referred to the Committee on Military Affairs and ordered to be printed.

He also submitted an amendment relative to the purchase, manufacture, and test of machine and automatic guns, including their carriages, sights, implements, and equipments, for use in the Army, etc., intended to be proposed by him to the Army appropriation bill, which was referred to the Committee on Military Affairs and ordered to be printed.

Mr. DIXON submitted an amendment proposing to appropriate \$1,500 for the employment of "line riders" along the south and east boundary of the North Cheyenne Indian Reservation, in the State of Montana, intended to be proposed by him to the Indian appropriation bill, which was referred to the Committee on Indian Affairs and ordered to be printed.

HITCHMAN COAL AND COKE COMPANY V. JOHN MITCHELL.

Mr. CULBERSON. Mr. President, I offer a Senate resolution, and ask that it be printed and lie on the table. I do not ask that it be read.

The VICE-PRESIDENT. Without objection, it is so ordered.

Mr. BEVERIDGE. May I ask the Senator if this is the resolution or an amendment of the resolution which has been under consideration for a few days?

Mr. CULBERSON. It is a resolution on the same subject.

Mr. BEVERIDGE. Is it meant to take the place of the resolution the Senate had up yesterday?

Mr. CULBERSON. It is a somewhat different resolution. It is on the same subject, I repeat.

Mr. BEVERIDGE. I should like to have the resolution read.

Mr. CULBERSON. I have no objection if the Senator wants to hear it all read.

Mr. BEVERIDGE. How long is the resolution?

Mr. CULBERSON. It is quite lengthy.

The VICE-PRESIDENT. Does the Senator from Indiana ask that the resolution be read?

Mr. BEVERIDGE. If it is a very long resolution I will not insist on it. I am somewhat interested in this matter. Can the Senator indicate in what particular he has again changed his resolution?

Mr. CULBERSON. I will state to the Senator that it is quite interesting, but it would take an hour probably to read it.

Mr. BEVERIDGE. I am not going to ask that a resolution which is the second amendment of a resolution within three days, and which it would take an hour to read, shall be read, of course.

Mr. LODGE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Indiana yield to the Senator from Massachusetts?

Mr. BEVERIDGE. Certainly.

Mr. LODGE. I merely wish to ask if we are expected to pass a resolution which would consume an hour in reading without having it read to the Senate?

Mr. BEVERIDGE. The Senator from Texas does not ask to have it passed. He asks that it may go on the table.

Mr. LODGE. I beg pardon.

Mr. CULBERSON. No such request as that has been made. I requested that the resolution be printed and lie on the table subject to call.

Mr. BEVERIDGE. My only remark, I will state for the benefit of the Senator from Massachusetts, was that I asked the Senator from Texas whether this is a further modification of a resolution which was already once modified yesterday, and being informed that it was, I asked that it be read. But then it developed that the resolution has so grown in its modification that it would require an hour to read it, and, of course, I withdrew the request that an hour of the Senate's time should be taken up in hearing the third form of the Senator's resolution within three days.

The VICE-PRESIDENT. The Senator from Texas asks that the resolution submitted by him be printed without reading. Is there objection? The Chair hears none and it is so ordered. The resolution is as follows:

Senate resolution 81.

Whereas on October 24, 1907, the following bill of complaint was filed in the circuit court of the United States for the northern district of West Virginia:

IN THE CIRCUIT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF WEST VIRGINIA.

HITCHMAN COAL AND COKE COMPANY, PLAINTIFF,

v.

JOHN MITCHELL ET ALS., DEFENDANTS.

COPY OF BILL IN EQUITY FILED IN OPEN COURT AT PHILIPPI, OCTOBER 24, 1907.

IN EQUITY.

Hitchman Coal and Coke Company, a corporation organized under and by virtue of the laws of the State of West Virginia, and citizen of said State, having its principal office at Wheeling, in said State and district, plaintiff,

v.

John Mitchell, of Indianapolis, Ind., and a citizen of the State of Indiana, individually and as president of the United Mine Workers of America and of the International Union, United Mine Workers of America; T. L. Lewis, of Bridgeport, Ohio, and a citizen of the State of Ohio, individually and as vice-president of the United Mine Workers of America and of the International Union, United Mine Workers of America; W. B. Wilson, of Blossburg, Pa., and a citizen of the State of Pennsylvania, individually and as secretary-treasurer of the United Mine Workers of America and of the International Union, United Mine Workers of America; William Green, of Coshocton, Ohio, and a citizen of the State of Ohio, individually and as president of District No. 6, United Mine Workers of America; D. H. Sullivan, of Coshocton, Ohio, and a citizen of the State of Ohio, individually and as vice-president of District No. 6, United Mine Workers of America; George W. Savage, of Columbus, Ohio, and a citizen of the State of Ohio, individually and as secretary-treasurer of District No. 6, United Mine Workers of America; A. R. Watkins, of Yorkville, Ohio, and a citizen of the State of Ohio, individually and as president of Subdistrict 5 of District 6, United Mine Workers of America; John Zelenka, of Warrenton, Ohio, and a citizen of the State of Ohio, individually and as vice-president of Subdistrict 5 of District 6, United Mine Workers of America; Lee Rankin, of Dillonvale, Ohio, and a citizen of the State of Ohio, individually and as secretary-treasurer of Subdistrict 5 of District 6, United Mine Workers of America; and Thomas Hughes, of Shadyside, Ohio, and a citizen of the State of Ohio, defendants.

To the honorable the judges of the circuit court of the United States for the northern district of West Virginia:

Hitchman Coal and Coke Company, a corporation organized under and by virtue of the laws of the State of West Virginia, and citizen of said State, having its principal office at Wheeling, in said State and district, brings this its bill of complaint against John Mitchell, of Indianapolis, Ind., and a citizen of the State of Indiana, individually and as president of the United Mine Workers of America and of the International Union, United Mine Workers of America; and T. L. Lewis, of Bridgeport, Ohio, and a citizen of the State of Ohio, individually and as vice-president of the United Mine Workers of America and of the International Union, United Mine Workers of America; and W. B. Wilson, of Blossburg, Pa., and a citizen of the State of Pennsylvania, individually and as secretary-treasurer of the United Mine Workers of America and of the International Union, United Mine Workers of America; and William Green, of Coshocton, Ohio, and a citizen of the State of Ohio, individually and as president of District No. 6, United Mine Workers of America; and D. H. Sullivan, of Coshocton, Ohio, and a citizen of the State of Ohio, individually and as vice-president of District No. 6, United Mine Workers of America; and George W. Savage, of Columbus, Ohio, and a citizen of the State of Ohio, individually and as secretary-treasurer of District No. 6, United Mine Workers of America; and A. R. Watkins, of Yorkville, Ohio, and a citizen of the State of Ohio, individually and as president of subdistrict 5 of District 6, United Mine Workers of America; and John Zelenka, of Warrenton, Ohio, and a citizen of the State of Ohio, individually and as vice-president of subdistrict 5 of District 6, United Mine Workers of America; and Lee Rankin, of Dillonvale, Ohio, and a citizen of the State of Ohio, individually and as secretary-treasurer of subdistrict 5

of District 6, United Mine Workers of America; and Thomas Hughes, of Shadyside, Ohio, and a citizen of the State of Ohio, defendants.

And therefore your orator complains and says:

First, Your orator, Hitchman Coal and Coke Company, is a corporation organized under and by virtue of the laws of the State of West Virginia, having its principal office at Wheeling, in Ohio County, in said State; that it is the owner of about 5,000 acres of coal situated contiguous to its coal mine, which is at Benwood; that its coal mine is equipped with the necessary plant for mining coal and has shipping facilities on the main line of the Baltimore and Ohio Railroad, and its various shipments by rail originate on that road and at its mine; that your orator has been for some time past and is now engaged in mining coal and shipping the same to the open markets of the United States; that the product of its mine is large, amounting to about 1,400 tons per day, and that it has customers residing in all parts of the United States, and that a large portion of its trade is during the summer and fall months, when coal is carried to the Northwest by steamers upon the lakes while navigation is not interrupted by ice, while another portion of its trade has been for years and now is supplying coal for fuel for engines of the said Baltimore and Ohio Railroad Company, delivered by a coaling device to the engines at its tippie and likewise from large storage bins which have been erected and are in use by your orator and by said railroad company, wherefrom to coal their engines, said storage bins being located at the end of a considerable steel structure, trestle, or viaduct located near the roundhouse of said railroad company at Benwood, in the construction of which steel trestle and coal bins your orator has expended and now has invested a large sum of money; that on mining coal the coal as mined is brought to the surface and mouth of the mine and then for interstate commerce is delivered to the common carrier and by it carried to its destination within the United States, but without the State of West Virginia; that your orator has made large contracts for the future delivery of coal to points within and without the State of West Virginia, but within the United States, especially for lake trade; that your orator alone furnishes daily to said Baltimore and Ohio Railroad Company between 500 and 600 tons engine coal; that the profits and earnings of your orator depend largely upon its mining and producing coal during the summer and fall seasons of the year, and especially is this true of this year as to its said contracts not yet filled, but which it has the ability and, unless unlawfully interfered with by the defendants, expects to fill; that prior to April 1, 1906, your orator operated its said mine by employing a large number of men who were affiliated with said United Mine Workers of America, but on April 1, 1906, a strike having been ordered by said association, the employees of your orator who were working for it at that time continued to work until April 16, 1906, and on that day, under renewed demands of said United Mine Workers of America, went out on a strike and ceased to work for your orator, and said strike so declared is still in force so far as your orator and its mine is concerned; that at the time your orator's said employees went out on said strike they had no grievance, had made no complaint to your orator, and your orator had not failed to comply with its then contracts with its said employees with reference to their work; that said strike was ordered by the said association and your orator's said employees went out on said strike as aforesaid in pursuance thereof for the reason that certain coal operators in other sections of the country had refused to accede to certain demands of said association, and the ordering out of your orator's said employees and their going out on a strike as aforesaid were means amongst others used by said association at that time for the purpose of compelling said coal operators to sign a certain scale of wages which had been prepared and was being insisted upon by said association as the price of its permission being given to its members to remain at work for said coal operators; that at that time your orator, being advised of the controversy between said association and said coal operators, proposed to its said employees that they continue at work for your orator pending the signing of the scale by said coal operators, and that on the signing of the scale your orator would pay its said employees any additional sum that would have been earned by them during the time intervening between April 1, 1906, and the signing of the scale, provided that the scale when signed should provide for an advance in wages on work done on and after said April 1, 1906; that while your orator's said employees were ready and willing to accept your orator's proposition, nevertheless the said employees being members of the United Mine Workers of America were by that association ordered to strike, and after having continued in your orator's employ until April 16, 1906, went out on a strike as aforesaid under the renewed orders of said United Mine Workers of America that they should strike, which going out on strike on April 16, 1906, was without justification and without excuse and greatly to your orator's injury, embarrassment in business, and financial loss, owing to its inability to carry out its contracts which it then had for the sale and delivery of coal and for supplying coal to the engines of said Baltimore and Ohio Railroad Company at its tippie and bins aforesaid; that your orator's said mine was shut down and was not operated after April 16, 1906, until June 12, 1906, but upon resumption of operation on June 12, 1906, your orator started to run its mine on a nonunion basis, and each and every man who accepted employment at the mine was told at the time of entering your orator's service that there was no union at the mine, that the company would not allow any, and that no union man could remain in the employ of the company while recognizing and giving paramount allegiance to the union and obeying its orders, and if any employee of the company joined the union he could not work any longer for the company; that under those circumstances and with full knowledge of the said conditions of employment many men applied to your orator for work, and being employed entered the employment of your orator under an express contract not to join the United Mine Workers of America and worked in its mine and have continued so to work until the present time with satisfaction to themselves and to your orator, although from time to time since your orator has been operating its said mine on a nonunion basis efforts have been repeatedly made by officers and agents representing the United Mine Workers of America and its subordinate associations or branches to induce your orator to agree to recognize its mine and to sign the scale of the United Mine Workers of America; that your orator has repeatedly refused to have anything to do with the United Mine Workers of America, or any of its subordinate associations or branches, or with any of its officers, agents, employees, or servants, and has made known to them and to each of them your orator's determination to run its mine nonunion and its purpose not to permit any interference by said United Mine Workers of America, its subordinate associations or branches, its officers, agents, employees, and servants, with its operation of its mine or with its business, whereupon said United Mine Workers of America, its subordinate associations or branches, by its officers, agents, employees, and servants, have sought and are now seeking by inducements, threats, and intimidation, but so far without physical violence, to cause the employees of your orator to leave its service and to cause others who have engaged to enter your orator's service to break their engagements of

service and not work for your orator, and to prevent others from working for your orator, all with the professed, avowed, and actual purpose, which your orator says is an unlawful purpose, of compelling your orator to recognize the union, to force your orator to employ none but persons who are members of the United Mine Workers of America, to compel your orator to pay such scale of wages as said United Mine Workers of America arbitrarily fix and demand, and to submit your orator's business and its property to the jurisdiction and control of said union, becoming by the union's rules obliged to employ or to discharge whom the said union, its subordinate associations or branches, and its officers, agents, employees, and servants shall direct or require.

Your orator says that the said United Mine Workers of America, including its said subordinate associations or branches, is a secret voluntary organization having certain expressed objects, some lawful and others unlawful, and that it is in the endeavor to carry out its unlawful purposes that the matters and things herein complained of by your orator have arisen.

Your orator says that the said United Mine Workers of America, although not incorporated as aforesaid, was organized on or about January 25, 1890; that from the proceedings of its last annual convention, which was held in Indianapolis, Ind., from January 15 to January 22, inclusive, 1907, it appears that it had a membership of 280,667 in 1906; that its income for the fiscal year ending November 30, 1906, was \$1,081,408.32, its expenditures for the same period were \$1,232,994.01, and that its balance on hand December 1, 1906, was \$337,960.71, and that it is claimed for it that it is the largest labor organization in America.

Indicative of the character and purpose of said United Mine Workers of America and its said subordinate associations or branches, your orator refers to and says that the following are some of the provisions of their respective constitutions:

Excerpts from the constitution of the United Mine Workers of America and of the International Union, United Mine Workers of America.

ARTICLE I.

NAME, OBJECTS, AND JURISDICTION.

SECTION 1. This organization shall be known as the United Mine Workers of America.

SEC. 2. The objects of this union are to mine mine employees that produce or handle coal or coke in or around the mines and ameliorate their condition by methods of conciliation, arbitration, or strikes.

SEC. 3. This organization shall be composed of international, district, subdistrict, and local unions.

SEC. 4. The international union shall have jurisdiction over all districts, subdistricts, and local unions, which shall be governed by this constitution.

ARTICLE II.

OFFICERS AND THEIR DUTIES.

SECTION 1. The officers of the union shall be one president, one vice-president, and one secretary-treasurer and an executive board, to be composed of one member from each district under the jurisdiction of United Mine Workers; each district to elect its member of the international executive board, the president, vice-president, and secretary-treasurer to be members of the board by reason of their position.

SEC. 2. The president shall preside at all general conventions of the union. * * * from time to time appoint such organizers and workers in the international office or in the field as may be required; * * * decide all questions of dispute concerning the meaning of the constitution; exercise general supervision over its workings, both in the field and in the international offices, as his judgment dictates or the exigencies of the case require * * * and he shall quarterly name the password for the use of the local unions.

SEC. 3. The vice-president shall act as general organizer, and shall be under the direction of the president, and shall succeed that officer in case of death, resignation, or removal from office.

SEC. 4. The executive board shall constitute an international board of conciliation and arbitration; shall execute the orders of the international convention, and between conventions shall have full power to direct the workings of the organization, also to levy and collect assessments when necessary.

SEC. 5. The international executive board shall have power to order a general strike or suspension by a two-thirds vote at any time during the year that they may deem necessary, and each member shall have one vote and one deciding vote for every two thousand members in good standing, or a majority fraction thereof; provided that all district presidents, vice-presidents, and secretaries be called into joint conference for consideration before any joint strike or suspension order be issued.

SEC. 6. The international executive board shall be convened upon the order of the president or by the secretary-treasurer at the request of eleven members of the board.

SEC. 7. The term of all elective officers shall be from April 1st to March 31st of each year.

ARTICLE III.

QUALIFICATIONS AND SALARY OF OFFICERS.

SECTION 1. Any member in good standing in the organization shall be eligible to hold office in the international union, provided he is not a salaried officer of a subdistrict or district at the same time, and provided he has never been found guilty of misappropriating any funds of the organization entrusted to his care, who has been a member of a local union for one year prior to his election.

SEC. 2. The president's salary shall be \$3,000.00 per annum and all legitimate expenses; vice-president, \$2,500.00 per annum and all legitimate expenses; secretary-treasurer, \$2,500.00 and all legitimate expenses. * * *

ARTICLE IV.

REVENUES.

SECTION 1. Every local union shall pay direct to the international secretary-treasurer a per capita tax of twenty-five cents per month per member, and such additional assessments as may be levied. * * *

SEC. 2. The local secretary-treasurer shall fill out and forward to the international and district secretary-treasurer before the 25th of each month, a report of all members in good standing in the local union on the 1st day of that month, together with all taxes and assessments due to the international and district offices from the same.

SEC. 3. No local union shall be exonerated from the payment of per capita tax or assessments unless their members have been idle for one month or more.

SEC. 4. Where a mine is abandoned indefinitely and all the members of the local union at that mine have gone to work elsewhere, the local secretary shall notify the district secretary of the fact and the district secretary shall make application for exonerated for the local union each month to the international secretary-treasurer, until work is re-

sumed at the mines and the local union is again placed in working condition.

SEC. 9. The local monthly dues to be paid by each member shall not be less than 50 cents per month, together with such assessments as may be levied by the different branches of the United Mine Workers of America.

SEC. 10. The initiation fee shall be \$10 for practical miners, and for nonpractical men it shall be left to the discretion of the district where applications for membership are made.

ARTICLE V.

CONVENTIONS AND REPRESENTATIONS.

SEC. 2. * * * And the term "miner or mine worker" includes anyone working in or around the mines and a member of a local union.

ARTICLE VII.

CARDS.

SEC. 4. Any member desiring to leave the mine where his local is located and work elsewhere shall immediately make application to the secretary of the local for a transfer card, and, if he has paid all dues and assessments, the president and recording secretary shall issue a transfer card to him, which shall be attested by the financial secretary, providing the local union is in good standing with the international, district, and subdistrict unions, which shall be accepted in any district, and in case such person can not produce a transfer card he shall pay the regular initiation fee. All transfer cards shall be deposited as the laws of the district where work is secured may direct.

SEC. 8. When a transfer card is issued to any member, it must be deposited by him with some local union or with the international secretary-treasurer within three months after the last day of the month in which it was issued to him, else the card will become void, and he can only become a member again by initiation as a new member.

ARTICLE IX.

ORGANIZERS.

SECTION 1. Commissions as organizer shall be signed by the president and attested by the secretary-treasurer.

ARTICLE X.

STRIKES.

SECTION 1. When trouble of a local character arises between members of a local union and their employers, the officers of said local shall endeavor to effect an amicable adjustment, and failing in this they shall immediately notify the officers of the district to which the affected locals are attached, and said district officers shall immediately investigate the case of complaint; and failing to effect a peaceable settlement on a basis that would be fair and just to aggrieved members, finding that a strike would best serve the interests of the locality affected, they may order the inauguration of a strike, but no local strike shall be legalized or supported by a district unless its inauguration was approved by the officers of the district or by the international executive board, upon an appeal taken by the aggrieved members from the decision of the district officers; any local union striking in violation of the above provisions shall not be sustained or recognized by the international officers.

SEC. 3. When any member of the United Mine Workers is suspended or discharged, it shall be the duty of the mine committee to immediately investigate the case, and, if the member discharged is not guilty of an offense justifying the same, the grievance shall immediately be reported to the subdistrict and district president in writing, under the seal of the local, and if, upon investigation, the report of the local committee is found correct, the subdistrict and district president shall immediately insist upon the reinstatement of the suspended or discharged member.

SEC. 4. The international officers shall at any time they deem it to be the best interests of mine workers in a district that is idle, for just and sufficient reasons, order a suspension in any other district or districts that would in any way impede the settlement of the district affected, provided that such action would conserve to the best interests of the United Mine Workers of America.

ARTICLE XII.

DISTRICTS.

SECTION 1. Districts shall be formed with such number and territory as may be assigned them by the international officers and shall be subject to the jurisdiction, laws, rules, and usages of the international union.

SEC. 2. Districts may adopt such laws for their government as they may deem necessary, provided they do not conflict with the international union.

ARTICLE XIII.

SUBDISTRICTS.

SECTION 1. Subdistricts may be formed with such number and territory as may be assigned to them by the districts to which they are attached, and shall be subject to the jurisdiction, laws, rules, and usages of the international and district unions.

SEC. 2. Subdistricts may adopt such laws for their government as they may deem necessary, provided they do not conflict with international and district constitutions or agreements entered into.

SEC. 3. All local unions within the territory of subdistricts already organized in any district shall contribute and become a part of the same and comply with its laws before they are entitled to password or representation in either international or district organizations.

ARTICLE XIV.

LOCALS.

SECTION 1. Local unions shall be composed of miners, mine laborers, and other workmen, skilled and unskilled, working in and about the mines, except mine manager, top boss, and persons engaged in the sale of intoxicating liquors, and shall be given such numbers as the international secretary-treasurer shall assign them.

SEC. 2. All locals shall be under the jurisdiction of the international, district, and subdistrict unions, and may make such laws for their government as they deem necessary, provided they do not conflict with the international, district, and subdistrict constitutions or agreements entered into. Any local union or members thereof violating this section shall be subject to a fine of not less than \$5.

SEC. 4. All local officers and committees shall be elected the last meeting of June in each year by a majority vote of the members present, and shall serve one year or until their successors are elected and qualified.

Your orator says that its mine is located in territory which, under the organization of the United Mine Workers of America, is included within the jurisdiction of Subdistrict 5 of District 6.

Excerpts from constitution of district No. 6, United Mine Workers of America:

ARTICLE I.

NAME AND OBJECTS.

SECTION 1. This organization shall be known as District No. 6 of the United Mine Workers of America.

SEC. 2. One of the objects of this organization is to unite all employees in and around the coal mines of Ohio and the Panhandle district of West Virginia.

ARTICLE II.

SECTION 1. District No. 6 shall be divided into six subdistricts.

ARTICLE III.

OFFICERS AND THEIR DUTIES.

SECTION 1. The officers of this organization shall consist of one president, one vice-president, one secretary-treasurer, and an executive board of nine members, three of whom shall be the president, vice-president, and secretary-treasurer. The president and secretary-treasurer shall act as chairman and secretary of the executive board.

SEC. 2. The president shall preside at all conventions of the district organization. * * * He shall act as general organizer for the district. * * *

SEC. 3. The vice-president shall act as general organizer of District No. 6 and shall be under the direction of the president, and shall succeed that officer in case of death or removal, and when directed by the president in writing to settle any grievance or dispute his decision shall be final.

SEC. 7. The members of the executive board being presidents of subdistricts have the right to organize locals in their respective districts.

SEC. 8. That the term of office of president, vice-president, secretary-treasurer, and members of the executive board shall be from April 1 to March 31 of each year.

ARTICLE VI.

SALARIES OF OFFICERS.

SECTION 1. The salary of president shall be \$100 per month, payable semimonthly, * * * with legitimate expenses. * * *

SEC. 2. The vice-president shall be paid \$90 per month, on the same condition as the president.

SEC. 3. The secretary-treasurer shall be paid for his services the sum of \$100 per month and all office expenditures. * * *

ARTICLE VIII.

GRIEVANCES AND DISPUTES.

SECTION 1. In case of trouble arising in any local with the employer it shall be the duty of the local officers to try to effect a settlement; failing in this, the grievance shall be presented to the subdistrict president in writing, who shall investigate the grievance or dispute and settle, if possible. Should he fail, he shall consult the district president, who shall settle the dispute either by suspending work or such other methods as they may deem best. In case of a direct violation of agreements, the subdistrict president or local union affected are authorized to order a suspension of work.

SEC. 2. When it becomes necessary for a district president to close a mine, or when a mine or mines from some other legitimate cause has been forced to close down, said officers may, if they deem it wise, close every other mine in the district, or may distribute those idle men into any other mine or mines in the district in which said mine or mines so closed may be situated.

ARTICLE IX.

SECTION 1. The initiation fee in District 6 shall be \$10, and all persons applying for and securing work in the mines who are not practical mine workers shall pay \$10 initiation fee. Any person applying for work at any organized mine shall present a United Mine Workers' card. In case said person can not present such union card he shall pay the regular initiation fee.

SEC. 4. When a member allows himself to be three months in arrears he shall be considered no longer a member of the United Mine Workers of America, and in order to become a member again he must pay uniform initiation fee. * * *

SEC. 8. Each local union must be provided with a seal of the United Mine Workers of America, and no card or communication will be recognized unless the seal of the local be attached.

SEC. 15. Any member of our organization working in or around the mine working on idle days or extra time, in violation of our constitution or agreements, shall be fined \$2.50 for each offense.

SEC. 16. The local monthly dues to be paid by each member shall not be less than 50 cents per month, together with such assessment as may be levied by the different branches of the United Mine Workers of America.

SEC. 17. That a fine of \$10 [be imposed] in each individual case where it can be proven that a member of the union leaves his district for West Virginia or any other unfair mines, and remains there one month or more without having deposited his transfer card and returns without giving a satisfactory account of why he has not deposited his transfer card; and the fine to be collected by the local union where he works.

Excerpts from constitution of Subdistrict 5 of District 6, United Mine Workers of America:

ARTICLE I.

SECTION 1. This organization shall be known as Subdistrict 5 of District 6, United Mine Workers of America.

SEC. 2. The object of this organization is to unite the mine employees of Belmont, Jefferson, Tuscarawas, Harrison, and Carroll counties in Ohio, and that part of Stark County south of Canton other than the Massillon seam, and Hancock, Brooke, Ohio, and Marshall counties of West Virginia, to ameliorate their conditions by methods of conciliation, arbitration, or strike.

SEC. 3. All men are eligible and must be members of the United Mine Workers of America who work in and around the mines.

SEC. 4. This organization shall have jurisdiction over all local unions of Subdistrict 5 of District 6, United Mine Workers of America.

ARTICLE II.

SECTION 1. The officers of this organization shall consist of a president, a vice-president, a secretary-treasurer, and three members of an executive board, who shall constitute a board of six members. * * *

ARTICLE IV.

SECTION 1. In case of trouble arising in any local with the employer, it shall be the duty of the local officers to try to effect a settlement; failing in this, the grievance shall be presented to the subdistrict president in writing, who shall investigate the grievance or dispute and set-

tle, if possible. Should he fail, he shall consult the district president, who shall settle the dispute either by suspending work or by such other methods as they may deem best. In case of a direct violation of agreements, the subdistrict president or local union affected are authorized to order a suspension of work.

ARTICLE V.

REVENUE AND REPRESENTATION.

SECTION 1. The revenue of this organization shall be derived from local unions under its jurisdiction. They shall pay to the secretary-treasurer the sum of 5 cents per member per month; the same shall be checked off by check weighman, the per capita tax to be forwarded to the secretary-treasurer not later than the 15th of each month for the month preceding.

SEC. 3. The convention shall have power to increase or reduce the per capita tax if they deem it necessary.

ARTICLE VI.

SALARIES OF OFFICERS.

SECTION 1. The salary of president shall be \$80 per month and all necessary expenses in the performance of his duties.

SEC. 2. The salary of the vice-president shall be \$70 per month, and all necessary expenses in the performance of his duties.

SEC. 3. The salary of the secretary-treasurer shall be \$75 per month and all necessary expenses in the performance of his duties.

SEC. 6. The above prices are based on a 90 cent mining rate, and that these prices be increased or decreased the same per cent as the miners.

ARTICLE VII.

NOMINATION AND ELECTION OF OFFICERS.

SEC. 7. All check weighmen employed by members of the United Mine Workers shall be members of the United Mine Workers six months prior to their election, except newly organized locals, and voted for and elected by those who pay to maintain them. Notice of election for check weighman shall be posted in some conspicuous place at the mines where check weighman is to be employed at least three days before the time set for such an election. It shall be the duty of such check weighman to keep a record of all men employed in and around the mine. Under no consideration shall a check weighman be considered an officer of the local union. The term for which a check weighman shall serve shall be left to the discretion of those who employ him. The above will not prevent any local officer from acting as check weighman.

SEC. 8. The term of all officers of Subdistrict 5 of District 6 shall be from April 1 to March 31 of each year.

ARTICLE IX.

SECTION 1. That our initiation fee must conform with the national constitution.

SEC. 2. That a fine of \$10 in each case [be imposed] where it can be proven that a member of our union leaves his district for West Virginia or any other unfair mine and remains one month or more without depositing a transfer card and returns without giving a satisfactory account of why he has not deposited his transfer card, and a fine to be collected by the local union where he is working.

SEC. 3. Any member of our organization working in or around the mine, working on idle days or extra time, in violation of our constitution or agreements, shall be fined \$2.50 for each offense.

Further indicating some of the purposes of said United Mine Workers of America, your orator refers to and says that the following are some of the provisions contained in the manual of District No. 6 of the United Mine Workers of America and of the manual of Subdistrict 5 of District 6, United Mine Workers of America:

OPENING.

The hour of the meeting having arrived, the president shall take the chair and give one rap with the gavel, upon which all officers and members shall be seated.

If no regular doorkeeper has been appointed, the president shall appoint one of the brothers to see that none but members of the union are admitted.

The oath administered to each member on his admission and initiation is:

"I do solemnly promise, of my own free will, to abide by the laws of this union; to bear true allegiance to and keep inviolate the principles of the United Mine Workers of America; never to discriminate against a fellow-worker on account of creed, color, or nationality; to defend freedom of thought, whether expressed by tongue or pen, to defend on all occasions and to the extent of my ability the members of our organization.

"That I will not reveal to any employer or boss the name of anyone a member of our union. That I will assist all members of our organization to obtain the highest wages possible for their work; that I will not accept a brother's job who is idle for advancing the interests of the union or seeking better remuneration for his labor; and, as the mine workers of the entire country are competitors in the labor world, I promise to cease work at any time I am called upon by the organization to do so. And I further promise to help and assist all brothers in adversity, and to have all mine workers join our union, that we may all be able to enjoy the fruits of our labor; that I will never knowingly wrong a brother or see him wronged if I can prevent it. To all of this I pledge my honor to observe and keep as long as life remains, or until I am absolved by the United Mine Workers of America."

Your orator further says that the paid-up membership of said District 6, United Mine Workers of America, was, in 1906, 36,372, and on March 1, 1907, Subdistrict 5 of District 6, United Mine Workers of America, and 108 locals in good standing and paid-up membership of 12,500.

Your orator says that the defendant John Mitchell is president of the United Mine Workers of America and of the International Union United Mine Workers of America; that the defendant T. L. Lewis is vice-president of the United Mine Workers of America and of the International Union United Mine Workers of America; that the defendant W. B. Wilson is secretary-treasurer of the United Mine Workers of America and of the International Union United Mine Workers of America; that the defendant William Green is president of District No. 6, United Mine Workers of America; that the defendant D. H. Sullivan is vice-president of District No. 6, United Mine Workers of America; that the defendant George W. Savage is secretary-treasurer of District No. 6, United Mine Workers of America; that the defendant A. R. Watkins is president of Subdistrict 5 of District 6, United Mine Workers of America; that the defendant John Zelenka is vice-president of Subdistrict 5 of District 6, United Mine Workers of America; that the defendant Lee Rankin is secretary-treasurer of Subdistrict 5 of District 6, United Mine Workers of America, and that the defendant Thomas

Hughes is an organizer of the United Mine Workers of America; and that each and all of the said defendants John Mitchell, T. L. Lewis, W. B. Wilson, William Green, D. H. Sullivan, George W. Savage, A. R. Watkins, John Zelenka, Lee Rankin, and Thomas Hughes, have agreed confederated, combined, and formed themselves into a conspiracy, under the name of the United Mine Workers of America, to unlawfully persuade, entice, and procure your orator's miners or mine workers, employed by your orator and working for your orator in or around your orator's mine, to break, violate, and disregard their several contracts with your orator, all with the avowed purpose of compelling your orator to unionize its plant without your orator's consent, and to such end have unlawfully and maliciously agreed, confederated, combined, and formed themselves into a conspiracy to compel, by threats and intimidation and by other unlawful means, your orator's said employees to join the union and to apply to their own relation with your orator, in the matter of their employment, the rules of the union, and to enable said union to apply its rules and regulations to your orator under penalty of closing down your orator's mine, provided your orator still refuses to unionize its plant and recognize the union.

Your orator says that it has no contractual relation whatever with any one of the defendants hereto, and that each of said defendants is fully aware that your orator is operating a nonunion mine and will not consent to operate a union mine; that its employees are nonunion; that said employees are required by your orator, at the time of entering service, to agree not to become connected with the union while employed by your orator, and that if they do join the union their employment with your orator shall cease; that with such understanding your orator's employees enter into its employment, and that they are now working for your orator under such contract and with such conditions, all of which is known to these defendants, and to each of them, as aforesaid.

Your orator further says that the said John Mitchell, T. L. Lewis, W. B. Wilson, William Green, D. H. Sullivan, George W. Savage, A. R. Watkins, John Zelenka, Lee Rankin, and Thomas Hughes, individually, and as officers, agents, employees, and servants, as aforesaid, of said United Mine Workers of America and of its said subordinate associations or branches, are fully aware that your orator's said employees are satisfied with their employment; that your orator is engaged in mining coal and in fulfilling contracts for coal; that it would be impossible to fulfill those contracts without the labor of its said employees, and that it would entail upon your orator great financial loss to have its ability to fulfill its contracts interfered with by the failure of its men to work longer for your orator, and likewise would entail great loss and damage to your orator to have its mine shut down and to have a strike declared; yet your orator says that the said defendants have unlawfully and maliciously agreed together, confederated, combined, and formed themselves into a conspiracy, the purpose of which they are proceeding to carry out and are now about to finally accomplish, namely, to cause your orator's mine to be shut down, its plant to remain idle, its contracts to be broken and unfulfilled until such time as your orator shall submit to the demand of the union; that it shall unionize its plant, and having submitted to such demand unionize its plant by employing only union men who shall become subject to the orders of the union, paramount to the orders of your orator, their employer, and until in thus unionizing its plant your orator shall surrender its control and the management of its business to the union and become subject to and acquiesce in the enforcement by the union of the various rules and regulations laid down by the union, and accede in advance to every demand the said union by its said officers, agents, employees, and servants may take.

Your orator says the effectuating of this purpose is imminent and the damage threatened is great and irremediable, and that your orator's loss so far has been in excess of \$2,000, exclusive of interest and costs, while on the accomplishment of said purpose of said defendants and the shutting down of your orator's mine the damage to your orator would be still greater and incapable of definite ascertainment, being incalculable, but amounting to many thousands of dollars.

Your orator further says that it pays as much as the union scale of wages to its said employees, and that the said defendants in thus unlawfully and maliciously agreeing together, confederating, combining, and conspiring to effectuate by unlawful means the unionizing of your orator's mine are simply seeking power for the purpose of strengthening the union in future contests with employers of labor, to compel all miners and mine workers to join the union, establish a monopoly, and force employers of that kind of labor, and especially to force your orator to yield to the union's demands or else to give up its business.

Your orator says that the union is not a competitor of your orator in the labor market; that the union does not employ labor and is not an employer of labor.

Your orator says that at the annual convention of the United Mine Workers of America, held at Indianapolis, Ind., January 15 to January 22, inclusive, 1907, the said defendants, John Mitchell, T. L. Lewis, W. B. Wilson, William Green, D. H. Sullivan, George W. Savage, A. R. Watkins, John Zelenka, and Lee Rankin, were present and participated in its proceedings, during which it was openly stated with reference to the objects of the union: "Organized labor contends that as industry can not exist without labor, labor has the right to say under what conditions it shall be employed, thereby dictating the management of the productive end of the business."

Your orator says that at the same convention the defendant, T. L. Lewis, stated that he had charge of the organizing force under the direction of the president; that there has been a tremendous loss in the membership of the union as a result of the strike of April 1, 1906; that he had been instrumental in building up three national organizations of mine workers, and was one of the delegates and had attended the convention which laid the foundation of the United Mine Workers of America; that the union had "closed shop" wage agreements with operators whereunder 181,384 persons were employed in the year 1905, and that all of those men were required to be members of the union; that the American continent is not large enough to maintain two organizations of miners, and that he favored one organization of the mine workers of the American continent and a complete recognition of the union's right to organize in every mining district in the country.

Said defendant, W. B. Wilson, at said convention read his report as secretary-treasurer, in which he said: That resultant from the strike of April 1, 1906, the union had had a large number of men on strike and a comparatively small amount of money in the treasury, and that the union had been unable to contribute sufficient money to the various districts to enable the payment of very large strike benefits; that this created dissatisfaction and that the question was frequently asked, "What has become of our money?" that he had been in charge of the finances of the organization, and that there was paid for aid to strikers in the years 1900 to 1906, inclusive, \$5,191,554.77, and that to this amount the cost of organizing was to be added.

Your orator says that at said convention a committee's report was

unanimously adopted, which contained the following: "Your committee recommend that this convention heartily approve of the board's action in withdrawing a part of our organizing force from active service, as a result of a depleted treasury, but we further recommend that the force be increased whenever, in the discretion of the board, our funds would warrant."

Your orator says that at said convention said defendant T. L. Lewis in making an address in speaking of organizing West Virginia and the unorganized sections of Pennsylvania, said: "We will organize them by a strike movement;" while another delegate in his address at the same convention at the same time said: "I agree with President Green and Vice-President Lewis that you never can get those men organized except at the end of a general strike, but I warn you not to go into it until you are thoroughly prepared;" and in addressing the convention at the same time in the same discussion another delegate in recommending and explaining organization said, speaking of the union's method: "If we are able at a colliery to force all the men to become members of the union, we do so. If we are too weak, we do not attempt it, but keep gradually working among the men until we are able to accomplish our end;" while John Mitchell in addressing the convention as president said: "I believe it is possible, indeed I believe it is probable, that in the not distant future we will be able to inaugurate a movement in West Virginia and the other unorganized fields that will involve them in a strike, and then we will expect you to furnish the sinews of war, as you have done in the past, to keep these men in idleness." And again: "If one year hence it is my judgment that a suspension of mining throughout the United States would be best, I will favor that policy."

Your orator says that at a convention of Subdistrict 5 of District 6, United Mine Workers of America, held at Wheeling, March 14-19, 1907, the said defendants, A. R. Watkins, Lee Rankin, T. L. Lewis, John Zelenka, and Thomas Hughes, were present and participated in the proceedings.

Said defendant, A. R. Watkins, in his report, which he submitted to the convention as president of Subdistrict 5 of District 6, United Mine Workers of America, said: "The general strike in our subdistrict last year was characterized by a great deal of bitter feeling by a few operators trying to operate their mines on a nonunion basis. The attempt of those operators to operate their mines was defeated by the splendid loyalty of our members in standing shoulder to shoulder in that bitter struggle. You and those who stood so loyally to the organization deserve great credit for your conduct under the trying conditions that existed in some sections of the district during the strike." "At our last annual convention it was unanimously decided that the eastern Ohio scale should apply to the West Virginia Panhandle counties. The operators of those counties refused to meet us in joint convention to sign a general scale. Some of the operators even refused to sign a contract, and this resulted in several local strikes, all of which were settled except the one now on at Elm Grove, where the men are on strike and are standing firm. It is with regret that some of the locals in the Panhandle broke away and the members went to work without any union or without getting a scale signed."

"I am of the opinion that there are many good, active union men in the Panhandle counties, and if we all work together we can organize every mine worker in that section and establish scale rates," and expressed his wish that "Time may enable us by active work to make the United Mine Workers the most glorious and powerful of all trades unions."

The defendant, Lee Rankin, in his report to that convention as secretary-treasurer of Subdistrict 5 of District 6, United Mine Workers of America, said, in speaking of the strike declared April 1, 1906: "After several attempts to reach an agreement with the operators of Subdistrict 5, our members were compelled to strike, and that strike developed into the most bitter struggle that has taken place since the formation of our subdistrict."

"The failure of the district organization to provide each striking member with benefits to the amount of \$3 per week caused considerable friction, and this was taken advantage of by the enemies of the organization. What for a time seemed to be a division in our ranks encouraged certain operators with the hope that they could crush our organization. In this hope they were doomed to disappointment, as later developments fully demonstrated."

"When the district organization found that they could not comply with the constitution in the payment of strike benefits, a system of paying relief in orders was established. This policy was condemned and denounced by a few men, who did not stop to consider why the system was established."

"After a great deal of work on the part of your representatives, the reason for adopting such a policy was made clear to the members, who then took renewed courage and showed a determination to win in the struggle that then existed."

"With all the obstacles that we had to overcome last year, we have reason to feel proud that Subdistrict 5 came out of the strike with such credit to itself and the principles of unionism that it represents."

"To the fidelity, unity, and activity of the mine workers of this subdistrict is due the credit for winning in the struggle of last year. If any mistakes were made in that contest, let us profit by the experience of the past and be that much better prepared for the future," and again said: "We have one mine at Bellaire, Ohio, and five mines in the Panhandle district which I believe should be organized. I believe those mines can be organized, and in my opinion this convention should adopt some plan to organize those mines."

Your orator says that the five mines referred to in the statement above made by said defendant, Lee Rankin, are Hitchman Coal and Coke Company, Glendale Coal Company, Elm Grove Coal Company, Richland Coal Company, and Beech Bottom Coal Company.

Adopting that suggestion of the defendant, Lee Rankin, the following resolution was then adopted by the convention:

"RESOLUTION No. 8.

"Whereas there are miners in the Panhandle district and Ohio that are not organized, and believing every mine should be organized, be it
"Resolved by this ninth annual convention, That the subdistrict officers, together with the district officers, be authorized to take up the work of organizing every mine in the subdistrict as quickly as it can be done," and

Your orator says that at said convention last mentioned a resolution was also adopted as follows:

"RESOLUTION No. 10.

"Whereas there is a growing tendency among some operators in eastern Ohio to violate contract provisions, and having more than one mine, leave the mine idle rather than comply with the agreements or settle disputes.

"Whereas we believe 'an injury to one is the concern of all,' and believing that disputes should be settled promptly,

"Resolved, That we, the delegates of this ninth annual convention, authorize the officers to close all mines of one company, when such company fails to comply with contracts or settle disputes."

Your orator says that in the foregoing quotation of the language of the defendant, T. L. Lewis, reading: "It is with regret that some of the locals in the Panhandle broke away and the members went to work without any union or without getting a scale signed," the said defendant, T. L. Lewis, referred to the locals of the United Mine Workers of America which existed at the mine of the Hitchman Coal and Coke Company and at the mine of the Glendale Coal Company at the time the said strike was declared, April 1, 1906.

Your orator says that the Hitchman Coal and Coke Company and the Glendale Coal Company are owned by the same persons; that the same persons are members of the board of directors of each corporation, and that W. H. Koch is a stockholder, a director, and general manager of each of said mines, while the business of the Glendale Coal Company is managed from the office of the Hitchman Coal and Coke Company.

Your orator says that the said defendants and each of them treated the two mines as a single concern, and have so dealt with your orator, and your orator in filing this bill refers to and makes a part of it, so far as the same may be properly done, a similar bill, coincidentally prepared and filed in this court, seeking the same redress against said defendants and each of them on behalf of the Glendale Coal Company as your orator in this proceeding seeks on its own behalf and makes such reference and use of all supporting exhibits and affidavits.

Your orator says that in refusing to recognize the union after the declaration of said strike April 1, 1906, and after its men had left your orator's employment, pursuant to said strike, and in thereafter and now running its mine nonunion your orator did not seek to reduce the wages of its said employees nor cause its said employees to work for less than the scale of wages established by said United Mine Workers of America, nor does your orator now seek nor contemplate any reduction in the wages of its present employees. Your orator's sole purpose in running nonunion and in now insisting upon its right to do so, unhampered by and without interruption from said defendants, acting individually and as representative of the said United Mine Workers of America, was and is to escape from the intolerable oppression and vicious intermeddling of the said defendants.

Your orator says that these same defendants have for some years last past been in business such as it is herein shown they are now engaged in; that they are well acquainted, one with the other, and that they constitute a part of certain upper officials of the United Mine Workers, in whose hands the management of the affairs of said union have been centralized.

Your orator says that while your orator's mine remained idle after the shut down April 16, 1906, efforts were frequently made by some one or more of said defendants to induce your orator to sign the scale and run union, but every request of that kind met with a refusal. After your orator started up nonunion about June 12, 1906, as aforesaid, efforts were repeatedly made by one or more of the defendants to induce your orator to unionize its mine, and failing in that, efforts were made by some one or more of said defendants to bring about, by inducement, persuasion, threats, and intimidation, and by various means and devices unlawfully to induce your orator's employees to cease working for your orator, and by use of like means, devices, intimidation, threats, persuasion, and inducements to prevent men willing to work for your orator not to engage to work, or if having engaged to work, then not to go to work for your orator; but despite their efforts your orator was able to increase the number of its employees and to increase its business, which it conducted successfully and peacefully and lawfully from that time until the present.

Your orator says that upon different occasions since starting up nonunion, as aforesaid, the different officials of the United Mine Workers of America, amongst them the defendants, John Zelenka, A. R. Watkins, D. H. Sullivan, and William Green, visited the general manager of your orator at his office at the Hitchman mine and talked to him on the subject of the recognition of the union, the signing of the scale, and a re-employment of your orator's employees, under the technical guise of thus entering into contract relations with your orator's employees as members of the United Mine Workers of America, and for the purpose of doing away with the express provision of your orator's contract with each of its employees that they should not become members of the union, and if they did that their employment should thereby cease, and proposed to your orator that it recognize the union, sign the scale, and so reemploy its men. Your orator refused each and all of these propositions.

Your orator says that about July 1, 1907, the defendants, William Green, John Zelenka, and A. R. Watkins, came to the office of your orator's general manager and had a conversation with him regarding the forming of a miners' union, or rather the putting of your orator's employees under the jurisdiction of the United Mine Workers of America, and while your orator on that occasion, through its general manager, distinctly stated that the proposition of said defendants would not be considered at all, still said Zelenka subsequently reported to your orator's employees, and caused that report to be spread amongst them, that he, Zelenka, Green, and Watkins had had a conference with your orator's general manager and that said general manager had agreed to allow the United Mine Workers of America to put all of your orator's employees into the union, and made the further statement, which he caused to be circulated amongst your orator's employees, that it was up to the employees of your orator to join the union, or else that they would be out of a job at an early day, because only union men would be permitted to work at the mine and that those of your orator's employees who did not join the union would not be permitted to get a job any place else. Your orator says that its general manager shortly after this occurrence complained of the action mentioned and that said Zelenka, Green, and Watkins each denied making any such statement or circulating any such report. Yet your orator says its statement in this respect is true and that in the action referred to and complained of to said defendants said defendants were simply carrying out their unlawful purpose heretofore formed, as aforesaid, to unionize your orator's mine without its consent, there being involved in the said unionizing the doing of the many unlawful acts and for the many unlawful purposes herein stated.

Your orator says that its employees are nonunion men who have entered into employment with your orator with the understanding that your orator shall continue to run a nonunion mine; that some of your orator's employees, employed under such condition and with such understanding, have bought property and homes and expect to have permanent employment with your orator, so running its mine nonunion, and

with the understanding and expectation on their part that while in the employ of your orator they shall be protected in such employment.

Your orator says that some time during the middle of this summer of 1907 the defendants, Green, Watkins, and Zelenka, called on your orator's general manager at his office, and said Green was spokesman. He said he would like to talk organization. Your orator's general manager stated to them then that, while unionizing of the mine was out of the question, yet if they had any business proposition to submit it would be listened to. Green urged that under your orator's present arrangement or contract with its employees the men felt at liberty to do as they pleased and did not feel any restraint, while if your orator would make a contract with him as president of the United Mine Workers (he is president of District 6, United Mine Workers of America) he could hold the men in check, see that all agreements incorporated in the scale were fulfilled and carried out to the letter, and, generally, that he would see that the men lived up to their contract. To this your orator's general manager replied that from personal experience in the past in dealing with the union he had found the facts in reality to be just the opposite from the way Green put it, and that if that was all Green had to offer, there was nothing worth considering. Green then requested your orator's general manager to think the matter over, and said he would see him again about it within a couple of weeks. Several weeks after this said Green, Watkins, and Zelenka met your orator's general manager while the latter was at the McLure House, in Wheeling, and the latter then told Green that he could see nothing in the union's proposition that would interest him in any manner. Green then asked said general manager if he would not put the proposition up to your orator's board of directors. This he did, and your orator's board unanimously refused to have anything whatever to do with the United Mine Workers of America. Shortly after that said defendant, Green, telephoned your orator's general manager, asked if he had submitted the union's proposition to your orator's directors, and was told that the proposition had been submitted and that the directors refused absolutely to consider the matter in any manner whatever.

Your orator says that in the dealings that antedated the declaration of the strike of April 1, 1906, your orator's general manager talked with the defendant, D. H. Sullivan, and also with the defendant, William Green, and told them both that in case they brought your orator's men out on strike they would be taking away from them something they would never be able to give back—that is, reemployment with your orator. Yet despite this warning, the union ordered the strike. Your orator's same official made the same statement to the defendant, Watkins, at about the same time and before April 1, 1906. And these statements have been by your orator's general manager called to the attention of these same men during the repeated conferences they have had on the subject of reunionizing the mine since the declaration of the strike aforesaid.

Your orator says that under the rules of said United Mine Workers of America, enforced against your orator and its employees, while your orator ran its mine union, certain moneys being wages earned by your orator's employees, then members of the union, were withheld by your orator from their pay and paid over, with the consent of the employees, to the secretary-treasurer of the local union at your orator's mine; and at your orator's mine there was paid over by your orator to the secretary-treasurer of the local union during the two years ending April 1, 1906, a total of \$9,155.88. A very much less amount was paid over by the Glendale Coal Company, inasmuch as the owners of the Hitchman Coal and Coke Company had become owners of the Glendale Coal Company only a few months prior to said strike, April 1, 1906.

On one or more of the occasions heretofore referred to, when some one or more of said defendants besought your orator to unionize its mine your orator's general manager stated to said defendant that with them as officers of the union it was not so much a question of looking after the interests of the men employed by your orator as it was a question of money, and that they, these defendants, were in the business for what they could get out of it, and their attention was called to the fact that nearly \$10,000 had been turned over to them from the Hitchman mine alone in the two years just prior to the strike.

Yet your orator says that, although it has refused to permit it, still the said defendants, further proceeding to carry out their conspiracy, are now endeavoring to unionize your orator's mine, and threaten, and your orator has reasonable ground to fear that they will, and so alleges, close down your orator's mine and keep it closed until your orator will agree to sign the scale and employ none but union labor.

Your orator says that on or about September 7, 1907, the defendant Thomas Hughes was noticed about the Glendale mine and about the Hitchman mine, intercepting the miners, taking lists of names of employees, and trying to induce the men, by persuasion, threats, coercion, and intimidation, and by various other unlawful methods and devices, to quit working for your orator and to join the union, and such efforts said Hughes is keeping up at each mine, although he has been ordered off of the premises of each mine and has been directed to stay off and to let your orator's employees alone.

Your orator says that as a result of the labors of the defendant Hughes, who has been assisted by others of the defendants from time to time, by their counsel and advice aiding and abetting him, with their presence, about your orator's mine and about the Glendale mine, the said defendants succeeded in getting twenty-four of the employees of the Glendale to agree to join the union and to quit the service of the Glendale Coal Company. And your orator says that while the said defendants have so far been unable to bring about or induce your orator's employees to quit its service, still the said Hughes has recently stated to one of your orator's miners, whom he was trying to induce to leave your orator's service and join the union, that he (Hughes) had succeeded in having 125 men at the Hitchman mine sign their names, agreeing to become members of the United Mine Workers of America, and that just as soon as he got 25 more names he was going to shut the Hitchman mine down; and in this connection your orator says that 54 of your orator's present employees have in writing signed a statement that they are satisfied with their employment with your orator, with the wages paid to them, and with their work, and that they would like to remain in your orator's employ. Your orator employs from 175 to 200 men at its mines as a general rule, and now has in its employ 160 to 175 men.

Your orator says that the said United Mine Workers of America, the said International Union, United Mine Workers of America, and the said District No. 6, United Mine Workers of America, and the said Subdistrict 5 of District 6, United Mine Workers of America, voluntary associations as aforesaid, are, under their constitutions, violating the common and statutory law of the State of West Virginia, as well as the constitution of said State, especially in this, to wit, in the provisions of section 1, section 3, and section 4 of Article X, constitution International Union, United Mine Workers of America, and in the provisions of section 1 and section 2 of Article VIII and section 15 of Article IX, constitution District No. 6, United Mine Workers of

America, and in the provisions of section 2 and section 3 of Article I, section 1 of Article IV, section 6 of Article VI, and sections 2 and 3 of Article IX, constitution Subdistrict 5 of District 6, United Mine Workers of America, and as well in the said oath which is administered to each member of the United Mine Workers of America on his initiation.

Your orator files herewith as part hereof the constitution of the International Union, United Mine Workers of America, the constitution of District No. 6, United Mine Workers of America, the constitution of Subdistrict 5 of District 6, United Mine Workers of America, the proceedings of the eighteenth annual convention of the United Mine Workers of America, held in Indianapolis, Ind., January 15 to 22, 1907, and the proceedings of the ninth annual convention of Subdistrict 5 of District 6, United Mine Workers of America, held at Wheeling, W. Va., March 14-19, 1907, to the extent only that they show the constitutional provisions heretofore quoted, the members' oath and the statements made during said several conventions particularly pointed out and alleged herein, as well as the said resolutions No. 8 and No. 10 of the said convention of Subdistrict 5 of District 6, United Mine Workers of America, held at Wheeling, March 14-19, 1907, as aforesaid; but asks to be permitted to withdraw the said constitutions and the said proceedings of said conventions, upon filing with the clerk of this court copies of such portions of said constitutions and of said conventions' proceedings as are made part hereof, certified to be such copies by such clerk.

Your orator says that the said John Mitchell, the said T. L. Lewis, the said W. B. Wilson, acting in their several official capacities hereinbefore stated; the said William Green, the said D. H. Sullivan, the said George W. Savage, acting in their several official capacities hereinbefore stated; the said A. R. Watkins, the said John Zelenka, and the said Lee Rankin, acting in their several official capacities hereinbefore stated, are representatives of the said United Mine Workers of America, the said International Union, United Mine Workers of America, the said District 6, United Mine Workers of America, and the said Subdistrict 5 of District 6, United Mine Workers of America, respectively; and that the said Thomas Hughes is acting as an organizer of said United Mine Workers of America, all voluntary associations; that the principal office of said United Mine Workers of America and of said International Union, United Mine Workers of America, is at Indianapolis, Ind.; the office of said District No. 6, United Mine Workers of America, is at Columbus, Ohio; and that said Subdistrict 5 of District 6, United Mine Workers of America, has no office, business being transacted at the places of residence of the said A. R. Watkins, John Zelenka, and Lee Rankin, president, vice-president, and secretary-treasurer, respectively, all residing within the State of Ohio as aforesaid; that the jurisdiction of this court is invoked on the ground that your orator is a resident of the northern district of West Virginia and a citizen of said State, and that each of the said defendants is a resident of a different State, to wit, no defendant is a resident of the State of West Virginia, and that the matter in dispute exceeds, exclusive of interest and costs, the sum of \$2,000.

Your orator says that while membership of the said United Mine Workers of America of the said District No. 6, United Mine Workers of America, and of said Subdistrict 5 of District 6, United Mine Workers of America, is large, as hereinbefore stated, yet the names and addresses of the said members of the said several associations are to your orator unknown; that if any of them should happen to be residents of the State of West Virginia they are not necessary parties hereto, are not interfering with your orator in the matters herein complained of, and that they can not be joined without ousting the jurisdiction of this court as to the other parties, the said defendants hereto, of whose acts and doings, purposed and proposed acts and doings, your orator herein complains as hereinbefore set forth.

Your orator further says that unless enjoined by this court the said defendants, acting individually and agreeing, confederating, combining, and forming themselves into a conspiracy under the name of the United Mine Workers of America as aforesaid, will, in pursuance of their unlawful purposes and designs, by enticement, persuasion, or coercion, in one form or the other, bring about the shutting down of your orator's mine and the ultimate destruction of its business, and will without the consent and against the will of your orator compel your orator to recognize said defendants and said associations in the further transaction of its legitimate business in mining and shipping coal, and will compel your orator to contract with its employees through the said defendants as officers of the said associations under such rules and regulations made and enforced by said associations and by said defendant officers as will enable the union to dictate the persons whom your orator shall employ and those whom your orator shall discharge, the wages your orator shall pay, and further will compel your orator to agree that each of its future employees as members of the said United Mine Workers of America shall owe and yield to said union an allegiance which shall in all things be paramount to that which said employees would owe to your orator, and that they will thus take charge of, dictate the management of, and virtually control your orator's business, and thereby perpetrate acts of oppression and wrong upon your orator which distinctly violate your orator's contractual, common law, statutory, and constitutional rights as a citizen of the State of West Virginia.

Your orator further says that in effecting their said object of unionizing your orator's mine the said defendants propose and threaten to, and your orator being so informed and believing it to be true, alleges on such information and belief that said defendants will and are about to indulge in all of the many methods of accomplishing their result by the use of threats, intimidation, force, violent or abusive language, picketing your orator's premises, picketing or patrolling or guarding the streets and approaches to your orator's premises and going to the homes or boarding houses of your orator's employees for the purpose of intimidating or coercing them to leave your orator's employment and to picket railroad and street cars passing to and from or through your orator's premises for the purpose of intercepting your orator's employees in going to or from your orator's premises and for the purpose of intercepting and preventing persons coming to your orator's premises for the purpose of seeking or for the purpose of entering into your orator's employment.

To the end, therefore, that your orator may have that relief which it can only obtain in a court of equity, and that the said defendants may each answer the premises, but not upon oath or affirmation, an answer under oath being hereby expressly waived by your orator, your orator now prays the court that the said John Mitchell, the said T. L. Lewis, and the said W. B. Wilson, each, individually, and as president, vice-president, and secretary-treasurer, respectively, of the said United Mine Workers of America and of the said International Union, United Mine Workers of America; the said William Green, the said D. H. Sullivan, and the said George W. Savage, each, individually, and as president, vice-president, and secretary-treasurer, respectively, of the said District

No. 6, United Mine Workers of America; the said A. R. Watkins, the said John Zelenka, and the said Lee Rankin, each, individually, and as president, vice-president, and secretary-treasurer, respectively, of the said Subdistrict 5 of District 6, United Mine Workers of America; and the said Thomas Hughes, and each and every of them, their committees, agents, servants, confederates, and associates, be restrained and strictly enjoined from interfering and from combining, conspiring, or attempting to interfere with employees of your orator for the purpose of unionizing your orator's mine, without your orator's consent, by representing or causing to be represented in express or implied terms, to any of your orator's employees, or to any person who might become an employee of your orator, that such person will suffer or is likely to suffer some loss or trouble in continuing in or in entering the employment of your orator, assigning, representing, or causing to be represented in express or implied terms to such employee or employees that such loss or trouble will or may come by reason of your orator not recognizing the United Mine Workers of America, or because your orator runs a non-union mine;

That the said defendants, and each and every of them, their committees, agents, servants, confederates, and associates, be restrained and strictly enjoined from interfering and from combining, conspiring, or attempting to interfere with employees of your orator for the purpose of unionizing your orator's mine, without your orator's consent, and in aid of such purpose knowingly and willfully bringing about in any manner the breaking by your orator's employees of contracts of service known to them at the time to exist, which your orator now has with its employees, and from knowingly and willfully bringing about in any manner the breaking by your orator's employees of contracts of service which may hereafter be entered into by persons with your orator and be known to them while the relationship of employer and employee, as to such employee so brought to break his contract, exists, and especially from knowingly and willfully enticing your orator's employees, present or future, knowing of such relationship, while the relationship of employer and employee, as to such employee so enticed, exists, directly or indirectly, as a reason for any such act so brought about, or enticement and leaving of your orator's service, that your orator does not recognize the United Mine Workers of America, or that your orator runs a non-union mine, or that the interest of the United Mine Workers of America requires, that your orator shall not be permitted to run a non-union mine, or that the interest of the union will be best promoted thereby; that the said defendants, and each and every of them, their committees, agents, servants, confederates, and associates, be restrained and strictly enjoined from interfering and from combining, conspiring, or attempting to interfere with the employees of your orator so as knowingly and willfully to bring about in any manner the breaking by your orator's employees of contracts of service, known to them at the time to exist, which your orator now has with its employees, and from knowingly and willfully bringing about in any manner the breaking by your orator's employees of contracts of service which may hereafter be entered into by persons with your orator, and be known to them, while the relationship of employer and employee, as to such employee so brought to break his contract, exists, and especially from knowingly and willfully enticing your orator's employees, present or future, knowing of such relationship, while the relationship of employer and employee, as to such employee so enticed, exists, to leave your orator's service, without your orator's consent, against your orator's will, and to your orator's injury;

That the said defendants, and each and every of them, their committees, agents, servants, confederates, and associates, may be by this court ordered and commanded to desist and refrain from in any manner interfering with, hindering, or obstructing any of the business of your orator, or its agents, servants, or employees, in the discharge of their duties as such, at and about your orator's mine or elsewhere by trespassing on or entering upon the grounds and premises of your orator, or within its mine, for the purpose of interfering therewith, or hindering or obstructing its business in any manner whatsoever, or with the purpose of compelling or inducing, by threats, force, intimidation, violence, violent or abusive language, or persuasion, any of the employees of your orator to refuse or fail to perform their duties as such employees; also from compelling or inducing or attempting to compel or induce, by threats, intimidation, force, or violence, or abusive or violent language, any of the employees of your orator to leave its service or fall or refuse to perform their duties as such employees, or to compel or attempt to compel, by threats, intimidation, force, violent or abusive language, any person desiring to seek employment in or about your orator's mine and works from so accepting employment therein; also from entering upon or establishing a picket or pickets of men on or patrolling railroad or street cars passing through or adjacent to your orator's property for the purpose of inducing or compelling, by threats, intimidation, violence, violent or abusive language, or persuasion, any employee of your orator to fall or refuse to perform his duties as such, or for the purpose of interviewing or talking to any person or persons on said railroad or street cars coming to your orator's mine to accept employment with your orator, for the purpose and with the intention of inducing or compelling them, by threats, violence, intimidation, violent or abusive language, persuasion, or in any other manner whatsoever, to refuse or fail to accept service with your orator; also from compelling or inducing or attempting to compel or induce, by threats, force, intimidation, or violent or abusive language, any employee of your orator to refuse or fail to perform his duties as such employee, and from compelling or attempting to compel or induce, by threats, intimidation, force, or violence, or abusive or violent language, any such employee to leave the service of your orator, and, by like methods, to prevent or attempt to prevent any person desiring to accept employment with your orator in or about its mine or works or elsewhere, from doing so by threats, violence, force, intimidation, or violent or abusive language;

Also, from interfering in any manner whatsoever, either by threats, violence, intimidation, persuasion, or entreaty, with any person in the employ of your orator who has contracted with and is in the actual service of your orator to entice or induce him to quit the service of your orator or to fall or refuse to perform his duties under his contract of employment, and from ordering, aiding, directing, assisting, or abetting in any manner whatsoever any person or persons to commit any or either of the acts aforesaid; that the said defendants, and each and every of them, their committees, agents, servants, confederates, and associates, may be by this court forbidden and restrained from congregating at or near the premises of your orator, and from picketing or patrolling said premises for the purpose of intimidating your orator's employees or coercing them by threats, intimidation, violence, abusive or violent language, or preventing them, in the manner aforesaid, from rendering their service to your orator, and, in like manner, from inducing or coercing them to leave the employment of your orator, and from in any manner so interfering with your orator in carrying on its

business in its usual and ordinary way, and from interfering by threats, intimidation, violence, violent or abusive language, any person or persons who may be employed or seeking employment by your orator in the operation of your orator's mine and works; and that the said defendants and each and every of them, their committees, agents, servants, confederates, and associates, may be by this court restrained and forbidden, either singly or in combination with others, from collecting in and about the approaches to your orator's mine and works, for the purpose of picketing or patrolling or guarding the streets and approaches to the property of your orator for the purpose of intimidating, threatening, or coercing any of the employees of your orator from work in its said mine or works, or any persons seeking employment therein from entering into such employment, and from so interfering with said employees in going to and from their daily work in and about the mine and works of your orator; and that said defendants and each and every of them, their committees, agents, servants, confederates, and associates, may be by this court enjoined and restrained from going, either singly or collectively, to the homes or boarding houses of your orator's employees, or any of them, for the purpose of intimidating or coercing any or all of them to leave the employment of your orator; and that your orator may have such further or other relief in the premises as the nature of the circumstances of the case may require.

May it please your honors to grant to your orator a writ of subpoena to be directed to the said John Mitchell, of Indianapolis, Ind., and a citizen of the State of Indiana, individually, and as president of the United Mine Workers of America and of the International Union United Mine Workers of America; T. L. Lewis, of Bridgeport, Ohio, and a citizen of the State of Ohio, individually, and as vice-president of the United Mine Workers of America and of the International Union United Mine Workers of America; W. B. Wilson, of Blossburg, Pa., and a citizen of the State of Pennsylvania, individually, and as secretary-treasurer of the United Mine Workers of America and of the International Union United Mine Workers of America; William Green, of Coshocton, Ohio, and a citizen of the State of Ohio, individually, and as president of District No. 6, United Mine Workers of America; D. H. Sullivan, of Coshocton, Ohio, and a citizen of the State of Ohio, individually, and as vice-president of District No. 6, United Mine Workers of America; George W. Savage, of Columbus, Ohio, and a citizen of the State of Ohio, individually, and as secretary-treasurer of District No. 6, United Mine Workers of America; A. R. Watkins, of Yorkville, Ohio, and a citizen of the State of Ohio, individually, and as president of Subdistrict 5 of District 6, United Mine Workers of America; John Zelenka, of Warrenton, Ohio, and a citizen of the State of Ohio, individually, and as vice-president of Subdistrict 5 of District 6, United Mine Workers of America; Lee Rankin, of Dillonvale, Ohio, and a citizen of the State of Ohio, individually, and as secretary-treasurer of Subdistrict 5 of District 6, United Mine Workers of America; and Thomas Hughes, of Shadyside, Ohio, and a citizen of the State of Ohio, thereby commanding them and each of them, individually, and in their respective official capacities, at a certain time and under a certain penalty therein to be limited, personally to appear before this honorable court and then and there full, true, direct, and perfect answer make to all and singular the premises, and to stand, perform, and abide by such order, direction, and decree as may be made against them and each of them, individually, and in their said official capacities, in the premises, as shall seem meet and agreeable to equity.

And your orator will every pray.

[CORPORATE SEAL.] HITCHMAN COAL AND COKE COMPANY,
By E. T. HITCHMAN, its President.

GEORGE R. E. GILCHRIST, of Counsel.

STATE OF WEST VIRGINIA, County of Ohio, ss:

Personally appeared before the undersigned, a notary public within and for Ohio County, W. Va., E. T. Hitchman, who, being first duly sworn, says that he is president of the Hitchman Coal and Coke Company, the complainant corporation; that he has read the foregoing bill of complaint and knows the contents thereof; that as to such matters and things therein as are alleged on information and belief, affiant believes them to be true, and the other matters and things therein stated are true in substance and in fact.

E. T. HITCHMAN.

Sworn to before me and subscribed in my presence this 23d day of October, A. D. 1907.

[Notarial seal.] HERMAN A. HUNDT,
Notary Public of, in, and for Ohio County, W. Va.

And whereas afterwards, on said 24th day of October, 1907, the following restraining order was entered in said cause on said bill of complaint, to wit:

RESTRAINING ORDER.

At a circuit court of the United States for the northern district of West Virginia, continued and held in Philippi, in said district, on the 24th day of October, 1907, the following order was made and entered of record, to wit:

IN EQUITY.

Hitchman Coal and Coke Company, a corporation organized under and by virtue of the laws of the State of West Virginia, and citizen of said State, having its principal office at Wheeling, in said State and district, plaintiff,

v.
John Mitchell, of Indianapolis, Ind., and a citizen of the State of Indiana, individually, and as president of the United Mine Workers of America and of the International Union United Mine Workers of America; T. L. Lewis, of Bridgeport, Ohio, and a citizen of the State of Ohio, individually, and as vice-president of the United Mine Workers of America and of the International Union United Mine Workers of America; W. B. Wilson, of Blossburg, Pa., and a citizen of the State of Pennsylvania, individually, and as secretary-treasurer of the United Mine Workers of America and of the International Union United Mine Workers of America; William Green, of Coshocton, Ohio, and a citizen of the State of Ohio, individually, and as president of District No. 6, United Mine Workers of America; D. H. Sullivan, of Coshocton, Ohio, and a citizen of the State of Ohio, individually, and as vice-president of District No. 6, United Mine Workers of America; George W. Savage, of Columbus, Ohio, and a citizen of the State of Ohio, individually, and as secretary-treasurer of District No. 6, United Mine Workers of America; A. R. Watkins, of Yorkville, Ohio, and a citizen of the State of Ohio, individually, and as president of Subdistrict 5 of District 6, United Mine Workers of America; John Zelenka, of Warrenton, Ohio, and a citizen of the State of Ohio, individually, and as vice-president of Subdistrict 5 of District 6, United Mine Workers of America; Lee Rankin, of Dillonvale, Ohio, and a citizen of the State of Ohio, individually, and as

secretary-treasurer of Subdistrict 5 of District 6, United Mine Workers of America, and Thomas Hughes, of Shadyside, Ohio, and a citizen of the State of Ohio, defendants.

On this 24th day of October, 1907, Hitchman Coal and Coke Company, a corporation organized under and by virtue of the laws of the State of West Virginia, and citizen of said State, having its principal office at Wheeling, in said State and district, the plaintiff in the above-entitled suit in equity, by George R. E. Gilchrist, its counsel, presented to the court its bill of complaint, duly verified by the affidavit of E. T. Hitchman, president of said Hitchman Coal and Coke Company, and alleging in effect, among other things, that the said defendants are conspiring together to unionize plaintiff's coal mine without plaintiff's consent and against plaintiff's will, and in so doing and in trying to effectuate said unlawful object the said defendants are about to cause a large number of plaintiff's employees to cease working for plaintiff, contrary to the terms of their employment by the plaintiff and in violation of their contract of service with plaintiff; are resorting to the usual experiments of compelling or inducing, by threats, force, intimidation, violence, violent or abusive language, or persuasion, plaintiff's employees to leave its service, also contrary to the terms of their employment by plaintiff and in violation of their contractual obligations with plaintiff, and threaten to close down plaintiff's mine and not permit plaintiff to operate its mine until such time as plaintiff shall agree to unionize its mine and employ none but union labor who are members of the United Mine Workers of America; and also alleging in effect that unless this court shall grant an immediate restraining order preventing said defendants, and each and every one of them, their committees, agents, servants, confederates, and associates, from doing the said things complained of in said bill of complaint and purposed as set forth therein, and especially the enforced shutting down of plaintiff's mine and enforced idleness, unless and until plaintiff shall accede to the demands of said defendants, unionize its mine, and employ only union labor, members of said United Mine Workers of America, irreparable injury and damage will be suffered by plaintiff; and said plaintiff thereupon presented and filed with its said bill, in support thereof, the affidavits of W. H. Koch, E. C. Pickett, James Stewart, Clyde Rowland, J. M. Hart, Robert Myers, S. A. Rowland, E. C. Pickett, Wes Corvis, E. C. Pickett, William Daugherty, John Hull, J. W. Logston, C. G. Davis, J. C. McKinley, C. G. Davis and J. C. McKinley.

And the court also considered with said bill of complaint the bill of complaint in equity for injunction presented to this court by the Glendale Coal Company against the same persons defendants in a similar suit and the affidavits of W. H. Koch, C. G. Davis, E. C. Pickett, C. G. Davis, E. C. Pickett, William Daugherty, Mike Freeman, Frank Siccum, C. G. Davis, Paul Leonard, and J. C. McKinley, presented to the court with said bill of said Glendale Coal Company in support thereof; and the court also considered with said bill of complaint the bill of complaint in equity for injunction presented to this court by the Richland Coal Company against the same persons defendants, together with A. J. Bauer, an additional defendant, and the affidavits of J. C. McKinley, Paul Leonard, and J. C. McKinley, presented to the court with said bill of complaint of said Richland Coal Company, in support thereof, the said bills of complaint and supporting affidavits of the said Glendale Coal Company and of the said Richland Coal Company being presented to the court simultaneously with the presentation to the court of said plaintiff's bill.

Upon consideration whereof, the said first-named bill of complaint is ordered to be filed and process is ordered to be issued thereon, and it appearing to the court that a temporary restraining order should be allowed as prayed for in said bill of complaint, it is therefore adjudged, ordered, and decreed by the court that said defendants, and each and every of them, their committees, agents, servants, confederates, be restrained and strictly enjoined from interfering and from combining, conspiring, or attempting to interfere with the employees of the plaintiff for the purpose of unionizing plaintiff's mine, without plaintiff's consent, by representing or causing to be represented in express or implied terms, to any of plaintiff's employees, or to any person who might become an employee of plaintiff, that such person will suffer or is likely to suffer some loss or trouble in continuing in or entering the employment of plaintiff, assigning, representing, or causing to be represented in express or implied terms to such employee or employees that such loss or trouble will or may come by reason of plaintiff not recognizing the United Mine Workers of America, or because plaintiff runs a non-union mine.

From interfering and from combining, conspiring, or attempting to interfere with employees of plaintiff for the purpose of unionizing plaintiff's mine, without plaintiff's consent, and in aid of such purpose knowingly and willfully bringing about in any manner the breaking of plaintiff's employees of contracts of service known to them to exist, which plaintiff now has with its employees, and from knowingly and willfully bringing about in any manner the breaking by plaintiff's employees of contracts of service which may hereafter be entered into with plaintiff and be known to them while the relationship of such employer and employee, as to such employee so brought back to break his contract, exists, and especially from knowingly and willfully enticing plaintiff's employees, present or future, knowing of such relationship, while the relationship of employer and employee, as to such employee so brought about, or assigning directly or indirectly as a reason for any such act so brought about, or enticement or leaving of plaintiff's service, that plaintiff does not recognize the United Mine Workers of America, or that plaintiff runs a nonunion mine, or that the interests of the United Mine Workers of America requires that plaintiff should not be permitted to run a nonunion mine, or that the interests of the union will be best promoted thereby.

From interfering or combining, conspiring, or attempting to interfere with the employees of plaintiff so as knowingly and willfully to bring about in any manner the breaking by plaintiff's employees of contracts of service, known by them at the time to exist, which plaintiff now has with its employees and from knowingly and willfully bringing about in any manner the breaking by plaintiff's employees of contracts of service which may hereafter be entered into by persons with plaintiff, and to be known to them, while the relationship of employer and employee, as to such employee so brought to break his contract exists, and especially from knowingly and willfully enticing plaintiff's employees, present or future, knowing of such relationship, while the relationship of employer and employee, as to such employee so enticed, exists, to leave plaintiff's service, without plaintiff's consent, against plaintiff's will, and to plaintiff's injury.

From interfering with, hindering, or obstructing any of the business of plaintiff, or its agents, servants, or employees in the discharge of their duties as such at and about plaintiff's mine, or elsewhere, by trespassing on or entering upon the grounds and premises of plaintiff, or within its mine, for the purpose of interfering therewith, or hinder-

ing or obstructing its business in any manner whatsoever, or with the purpose of compelling or inducing, by threats, force, intimidation, violence, violent or abusive language, or persuasion any of the employees of plaintiff to refuse or fail to perform their duties as such employees.

From compelling or inducing or attempting to compel or induce by threats, intimidation, force or violence, or abuse or violent language, any of the employees of plaintiff to leave its service or fail or refuse to perform their duties as such employees, or to compel or attempt to compel by threats, intimidation, force, violent or abusive language any person desiring to seek employment in or about plaintiff's mine and works from so accepting employment therein.

From entering upon or establishing a picket or pickets of men on or patrolling railroad or street cars passing through or adjacent to the plaintiff's property for the purpose of inducing or compelling, by threats, intimidation, violence, or abusive language, or persuasion, any employee of plaintiff to fail or refuse to perform his duties as such, or for the purpose of interviewing or talking to any person or persons on said railroad or street cars coming to plaintiff's mine to accept employment with plaintiff, for the purpose and with the intention of inducing or compelling them, by threats, violence, intimidation, violent or abusive language, persuasion, or in any other manner whatsoever, to refuse or fail to accept service with plaintiff.

From compelling or inducing or attempting to compel or induce, by threats, force, intimidation, or violent or abusive language, any employee of plaintiff to refuse or fail to perform his duties as such employee, and from compelling or attempting to compel or induce, by threats, intimidation, force, or violence, or abusive or violent language, any such employee to leave the service of plaintiff, and, by like method, to prevent or attempt to prevent any person desiring to accept employment with plaintiff in or about its mine or works or elsewhere, from doing so by threats, violence, intimidation, or violent or abusive language.

From interfering in any manner whatsoever, either by threats, violence, intimidation, persuasion, or entreaty, with any person in the employ of plaintiff who has contracted with and is in the actual service of plaintiff to entice or induce them to quit the service of plaintiff or to fail or refuse to perform his duties under his contract of employment, and from ordering, aiding, directing, assisting, or abetting in any manner whatsoever any person or persons to commit any or either of the acts aforesaid.

From congregating at or near the premises of plaintiff, and from picketing or patrolling said premises for the purpose of intimidating plaintiff's employees or coercing them by threats, intimidation, violence, abusive or violent language, or preventing them, in the manner aforesaid, from rendering their service to plaintiff, and, in like manner, from inducing or coercing them to leave the employment of plaintiff, and from in any manner so interfering with the plaintiff in carrying on its business in its usual and ordinary way, and from interfering by threats, intimidation, violence, violent or abusive language, any person or persons who may be employed or seeking employment by plaintiff in the operation of plaintiff's mine and works.

From, either singly or in combination with others, collecting in and about the approaches to plaintiff's mine and works, for the purpose of picketing or patrolling or guarding the streets and approaches to the property of plaintiff for the purpose of intimidating, threatening, or coercing any of plaintiff's employees from work in its said mine or works, or any person seeking employment therein, from entering into such employment, or from so interfering with said employees in going to and from their daily work in and about the mine and works of plaintiff.

And from, either singly or collectively, going to the homes or buildings, houses of plaintiff's employees, or any of them, for the purpose of intimidating or coercing any or all of them to leave plaintiff's employment.

The motion for an injunction in this said suit is set down for hearing in the United States court room at Parkersburg on the 14th day of January, 1907, at 10 o'clock a. m.

This restraining order is not to take effect until said plaintiff, or some responsible person for it, shall enter into a bond in the penalty of \$2,000; with surety therein satisfactory to the clerk of this court conditioned that said plaintiff shall pay all such costs and damages as are sustained by the defendants, or any of them, by reason of this restraining order should it be hereafter dissolved.

Service of a copy of this order on the defendants, their committees, agents, servants, confederates, and associates, or any of them, shall be deemed and held sufficient notice of this order.

I, S. R. Harrison, clerk of the circuit court of the United States for the northern district of West Virginia, hereby certify that the foregoing is a true copy of an order entered of record in said court at Philippi, on the 24th day of October, 1907, in the equity cause of Hitchman Coal and Coke Company against John Mitchell et al. therein pending.

Given under my hand and seal of said court at Clarksburg, this 26th day of November, 1907.

(Signed)

S. R. HARRISON, Clerk.

Be it, therefore,

Resolved, That the Committee on the Judiciary of the Senate, or any subcommittee thereof, be, and is hereby, directed to speedily investigate and inquire into all of the circumstances connected with the issuance of a restraining order in the case of Hitchman Coal and Coke Company, plaintiff, against John Mitchell and other defendants in the United States circuit court for the northern district of West Virginia, on October 24, 1907, and said committee is directed to report to the Senate whether any additional legislation is necessary for the protection of the rights and privileges of workmen; and if so, to report such legislation without delay. And for the purpose of carrying out the provisions of this resolution, said committee or subcommittee is hereby authorized to sit at such times and places as may suit its convenience, to administer oaths and affirmations, take testimony, send for persons and papers, employ stenographers to report its hearings, and to have them printed, such hearings to be submitted by said committee to the Senate, and all necessary expenses to carry out the provisions of this resolution shall be paid from the contingent fund of the Senate.

Mr. CULBERSON. The request was that the resolution be printed and lie on the table subject to call.

The VICE-PRESIDENT. The resolution will lie on the table.

Mr. CULBERSON. I move that 500 additional copies of the resolution be printed for the use of the Senate.

Mr. LODGE. The regular order, Mr. President.

The VICE-PRESIDENT. The regular order is demanded.

Mr. LODGE. That motion is not in order, I think, until 1 o'clock.

Mr. CULBERSON. I should like to state to the Senator from Massachusetts that this is simply for the information of the Senate, and it will conduce to the orderly business of the Senate to-day to let it be done.

The VICE-PRESIDENT. Does the Senator from Massachusetts insist on the regular order?

Mr. LODGE. Perhaps I misunderstand the resolution.

The VICE-PRESIDENT. The Senator from Texas moves that 500 additional copies of the resolution submitted by him this morning be printed for the use of the Senate.

Mr. LODGE. I think we had better wait until we see what it is.

The VICE-PRESIDENT. Objection is made.

Mr. CULBERSON. Very well, Mr. President.

EFFICIENCY OF THE MILITIA.

On motion of Mr. DICK, it was

Ordered, That 3,000 additional copies of the bill (S. 4316) to further amend the act entitled "An act to promote the efficiency of the militia, and for other purposes," approved January 21, 1903, be reprinted, 1,500 for the use of the National Guard and 1,500 for the use of the Senate document room.

IMMIGRATION STATION AT PHILADELPHIA, PA.

On motion of Mr. PENROSE, it was

Ordered, That the Committee on Public Buildings and Grounds be discharged from the further consideration of the bill (H. R. 7694) to provide for the purchase of ground for and the erection of a public building for an immigration station, on a site to be selected for said station, in the city of Philadelphia, Pa., and that it be referred to the Committee on Immigration.

HOUSE BILL REFERRED.

H. R. 13102. An act to authorize the County of Elmore, Ala., to construct a bridge across the Coosa River, Alabama, was read twice by its title and referred to the Committee on Commerce.

GOVERNMENT DEPOSITARIES.

The VICE-PRESIDENT. The Chair lays before the Senate a resolution coming over from a former day, which will be read.

The Secretary read the resolution submitted by Mr. STONE on the 20th instant, as follows:

Resolved, That the Committee on Finance be, and hereby is, authorized and directed to inquire, ascertain, and report to the Senate whether the moneys of the United States deposited by the Secretary of the Treasury in depositaries have been distributed, as far as practicable, equitably between the different States and sections as required by law, and if not, then to report, by bill or otherwise, what additional legislation is necessary to compel such equitable distribution.

The VICE-PRESIDENT. The Chair requests Senators kindly to refrain from audible conversation.

Mr. STONE. Mr. President—

Mr. HALE rose.

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Maine?

Mr. STONE. Certainly.

Mr. HALE. The Senator rises to the resolution just read?

Mr. STONE. I do.

Mr. HALE. Let it be read again. There was so much noise I could not hear what it is.

The VICE-PRESIDENT. The Senator from Maine asks that the resolution be again read.

Mr. HALE. Yes; before the Senator from Missouri goes on, I want to know what is in the resolution.

The VICE-PRESIDENT. The Secretary will again read the resolution.

The Secretary again read the resolution.

Mr. STONE. Mr. President, before the resolution is disposed of I desire to submit an observation or two regarding the subject-matter covered by it.

On the 4th day of March, 1907, an act was passed amending section 5153 of the Revised Statutes. I desire to read the section as amended:

"Sec. 5153. All national banking associations, designated for that purpose by the Secretary of the Treasury, shall be depositaries of public money, under such regulations as may be prescribed by the Secretary; and they may also be employed as financial agents of the Government; and they shall perform all such reasonable duties, as depositaries of public money and financial agents of the Government, as may be required of them. The Secretary of the Treasury shall require the associations thus designated to give satisfactory security, by the deposit of the United States bonds and otherwise, for the safe-keeping and prompt payment of the public money deposited with them, and for the faithful performance of their duties as financial agents of the Government: *Provided*, That the Secretary shall, on or before the first of January of each year, make a public statement of the securities required during that year for such deposits. And every association so designated as receiver or depositary of the public money shall take and receive at par all the national currency bills, by whatever association issued, which have been paid into the Government for internal

revenue, or for loans or stocks: *Provided*, That the Secretary of the Treasury shall distribute the deposits herein provided for, as far as practicable, equitably between the different States and sections."

I call particular attention to the last proviso:

"That the Secretary of the Treasury shall distribute the deposits herein provided for, as far as practicable, equitably between the different States and sections."

When the currency bill, of which the section I have read was made a part, was under consideration in February of last year there was considerable discussion in the Senate of its provisions; and the proviso to which I have directed especial attention was discussed to a considerable extent and with more or less emphasis by different Senators. The Senator from Georgia [Mr. BACON], the Senator from Minnesota [Mr. NELSON], and others, including the chairman of the Committee on Finance, the Senator from Rhode Island [Mr. ALDRICH], all participated in that rather interesting debate, out of which eventuated the law to which I have called attention.

How has that statutory direction been observed and obeyed by the Treasury Department? What attention has been given to it and how have its provisions been carried out by the Administration? It is in answer to these questions that I desire to speak. I desire to call the attention of the Senate to some facts, and particularly to call the attention of the members of the Committee on Finance to some facts which I have collated from official documents of recent date. I hold in my hand two reports issued by the Comptroller of the Currency, the two latest of his reports, upon the matters to which they relate.

The first is entitled: "Abstract of Reports of Condition of National Banks, No. 55, Treasury Department, Office of the Comptroller of the Currency, Washington, D. C., September 17, 1907.

"Abstract of Reports of Condition of National Banks in the United States on November 12, 1906, January 26, March 22, May 20, and August 22, 1907."

The other document is of exactly the same import, except that it is continued down to December 3, 1907. It is from these documents that I have gathered the data which it is my purpose to lay before the Senate and particularly to lay before the members of the Committee on Finance for their consideration.

Mr. President, it will be observed as I proceed that I have selected for purposes of comparison the two latest dates mentioned in these reports, August 22, 1907, and December 3, 1907.

On August 22, 1907, there was deposited in the national bank depositaries the sum of \$143,282,393.15 of public money; on December 3 the amount of deposits had grown to \$223,117,082.61, making an increase in about 3½ months of \$79,834,689.46, or approximately 55 per cent. This does not embrace, but is exclusive of, deposits made by disbursing officers; it embraces only deposits of Treasury funds made by the Secretary of the Treasury.

This enormous sum of money, as we know, is deposited in these national banks without interest, and is loaned in turn by the banks to their customers.

How are these moneys distributed as between the different States and sections of the Union? The statute I have read requires the Secretary of the Treasury to distribute them equitably as far as practicable. How have they been distributed, as shown by these reports? Let us look at it first from the standpoint of sections. The Comptroller in his report has divided the States into several sections, one embracing the New England States, another the Eastern States, another the Southern States, another the Middle Western States, another the Western States, another the Pacific States, and another the Island possessions. As between these sections the distribution, as shown by the deposits on August 22 and December 3, 1907, was as follows:

The New England States, August 22, had \$8,577,417.53 of these deposits; on December 3 that section had \$12,633,707.12, an increase in three and one-half months of \$4,056,289.59, or approximately 47 per cent.

The Eastern States on August 22 had \$58,002,750.82; on December 3, \$112,811,046.60, an increase of \$54,808,295.78, or an approximate increase of 94 per cent.

The Southern States on August 22 had \$21,990,251.15; on December 3 they had \$29,541,940.96, an increase of \$7,551,689.81, or approximately 34 per cent.

Mr. BEVERIDGE. What was the percentage of increase in the Southern States which the Senator from Missouri stated?

Mr. STONE. There was an increase in those States of about 34 per cent.

The Middle Western States, which division or section as made by the Comptroller embraces the State from which the Senator from Indiana comes as well as my own State, on August 22 had \$32,933,852.79; on December 3 they had \$44,135,

001.01, or an increase of \$11,201,148.22, or approximately 34 per cent.

The Western States, lying west of Missouri toward the Rocky Mountains, on August 22 had \$8,325,282.20; on December 3 they had \$9,285,014.53, an increase of \$959,732.33, or approximately 11 per cent.

The Pacific States on August 22 had \$13,180,823.89, which had been increased on December 3 to \$14,437,360.95, or a total increase of \$1,256,537.06, or approximately 9 per cent.

The insular possessions on August 22 had \$272,014.77, which had been increased on December 3 to \$273,011.44, an increase of \$996.67, or approximately one-third of 1 per cent.

Mr. President, these figures show what is to my mind a startling disparity in the deposit of these public moneys as between the sections of the Union, and an utter failure on the part of the Treasury officials to observe the requirements of the law which I have read, a law which was adopted by Congress after full debate for a just and definite purpose.

Mr. BEVERIDGE. I wish to ask the Senator from Missouri a question for information. I am profoundly interested in what the Senator is saying, and I repeat, I ask the question for information. The Senator has evidently given very careful and studious attention to this question, and I have not, and that is the reason I ask the question.

The law requires an equitable distribution of these funds. The Senator from Missouri has read figures showing a discrepancy in the percentages assigned to the various sections of the country. Now, would the Senator construe the word "equitable" to mean that there should be an equal division according to the sections, or might it not be true that "equitable" would also include the volume of business done in each of the sections, or the needs of the hour, or the extent of the balances of the sections? Would the Senator have us to infer—and he knows I am merely asking for information—that an "equitable distribution" means that there should be an equal geographical distribution, or might not the elements of business activity or of wealth come in?

Mr. STONE. The inquiry of the Senator from Indiana is pertinent and proper, but, if he will pardon me, I would rather answer him a little later on, for the reason that I intend then to take up that phase of the question.

Mr. BEVERIDGE. Certainly.

Mr. STONE. It would break into the line of my remarks to take up that question now.

Mr. BEVERIDGE. I only wanted, as the Senator used the word "equitable," to state that it raised a question in my mind which I should be glad to have the Senator elucidate, which I am sure he is quite able to do.

Mr. STONE. I shall have something to say about that presently.

Mr. President, continuing in the line of my statement, I want now to call attention to a disparity as between certain cities of the East and West—the Middle West—and to make some comparisons. Of Eastern cities I have taken Boston, New York, Philadelphia, Pittsburg, and Baltimore. Here is what the report shows with reference to the deposits made in those cities:

In Boston on August 22 there was deposited \$2,539,523.81; on December 3 there was deposited \$6,079,644.83, an increase in actual amount of \$3,540,121.02, or approximately 139 per cent.

New York City on August 22 had \$28,253,386.58, which had increased on December 3 to \$75,829,742.66, or a total increase of \$47,576,356.08, being an approximate increase of 168 per cent.

Philadelphia on August 22 had \$4,736,477.12; on December 3 it had \$6,577,586.72, an increase of \$1,841,109.60, or approximately 38 per cent.

Pittsburg on August 22 had \$2,921,570.79; on December 3, \$5,142,309, or \$2,220,738.21 of actual increase, equal approximately to 76 per cent.

Baltimore on August 22 had \$3,890,722.84; on December 3, \$5,187,547.54, an increase of \$1,287,814.70, or an increase of approximately 33 per cent.

In these five cities combined on August 22 there was deposited \$42,350,681.14; on December 3, \$98,816,830.75, or an increase of \$56,466,149.61, being an increase of approximately 133½ per cent.

Mr. BEVERIDGE. That is just a little more than the increase of the New York deposits—nearly \$9,000,000 more.

Mr. STONE. I have it here in detail.

Mr. BEVERIDGE. Would it interrupt the Senator if I should ask him a question as to those figures?

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Indiana?

Mr. STONE. Certainly.

Mr. BEVERIDGE. I wish to know whether it is true, or not, that New York is the central banking city through which most of the other cities named transact their business? Is not New York the central banking city for all those cities? That is one question.

The other question to which I wish to call the Senator's attention is, Has he a table of the comparative clearances of the banks of these various cities, showing what the volume of business is in each city? Those two questions I think pertinent to the matter which the Senator is discussing.

Mr. STONE. I have not at hand a table of the volume of clearances, but the question of the Senator is very much along the line of the question he propounded earlier.

Mr. BEVERIDGE. But it is a question of fact—I do not know; but the Senator does—whether New York is not the central banking point for all these cities, and indeed for others?

Mr. STONE. Well, the Senator from Indiana knows as much about that as I do. I think it goes by general consent that New York is in a large sense the financial center of the country.

Mr. BEVERIDGE. Of course the Senator knows—I do not—whether or not that would furnish a prima facie reason, at least, why New York deposits should be increased in a different proportion from the cities to which he has called attention. That is the only point to my question.

Mr. STONE. The Senator from Indiana is interposing, with my permission of course, some suggestions in the way of argument that I think would come better a little later on.

Mr. BEVERIDGE. Then, if the Senator prefers, I will ask him to answer these questions a little later on.

Mr. STONE. Undoubtedly New York is the largest financial center in the country.

Mr. BEVERIDGE. Yes.

Mr. STONE. But notwithstanding that fact, I think these figures, when I am through with them, will convince even the Senator from Indiana that a very gross discrimination has been made in favor of New York as against the cities and States of the Middle West and of the South.

Mr. BEVERIDGE. I will say to the Senator from Missouri that I have not studied this question, while he has; but I wish to submit for his consideration the facts to which I have called his attention.

Mr. STONE. Mr. President, I want to give the figures for some of the cities of the great Middle West, that comparison may be made as between them and the five Eastern cities to which I have called attention.

I take Cincinnati, Cleveland, Indianapolis, Chicago, Minneapolis, St. Paul, St. Louis, and Kansas City. I am giving these figures somewhat in detail because I want them to go into the Record. To read them may be a little tedious, nevertheless I will do so.

On August 22, Cincinnati had \$1,886,906.35; on December 3, \$3,703,301.45, an increase of \$1,876,395.10, or approximately 99 per cent.

Cleveland on August 22 had \$573,331.95; on December 3 \$1,465,100.37, or an increase of \$891,768.42, or about 155 per cent.

Indianapolis on August 22 had \$1,443,808.71; December 3 \$1,566,358.69, an increase of \$122,549.98, or 8.4 per cent. I think Indianapolis was entitled to better treatment.

Chicago on August 22 had \$2,813,559.75; on December 3 \$6,406,550.38, an increase of \$3,592,990.63, or about 127 per cent.

Minneapolis and St. Paul together—I read them together—had on August 22 \$1,084,729.73; on December 3 \$2,360,644.68, an increase of \$1,275,914.95, or 117 per cent.

St. Louis on August 22 had \$1,993,808.52; on December 3 \$2,348,835.33, an increase of \$355,026.81, or 17 per cent.

Kansas City on August 22 had \$638,559.15; on December 3 \$647,538.87, or an increase of \$8,979.72, or 1.4 per cent.

These eight cities of the great Middle West on August 22 had all told and combined only \$10,434,704.16; and on December 3 they had \$18,558,329.77, an increase during the three and a half months of \$8,123,625.61, or approximately 79 per cent.

Mr. President, the percentage of increase is not so striking by comparison as is the actual sum of the difference. The actual sums show best the disparity of amounts. For instance, the five Eastern cities increased in three and a half months from \$42,350,681.14 to \$98,816,830.75, or a total increase in amount of \$56,466,149.61, while the eight Middle Western cities, on August 22 had only \$10,434,704.16, which was increased during the same period to only \$18,558,329.77, or a total increase of only \$8,123,625.61. The increase in the five Eastern cities was nearly seven times as great as that of the eight Western cities.

Now, Mr. President, let me make a still more specific comparison. Take the city of Boston, not New York, which the

Senator from Indiana regards, and properly so, as the largest financial center of the country. Take not New York, but Boston, and compare it with Chicago. Boston with less than one-third the population of Chicago, gets practically as much of the public funds put into its national banks as was deposited in the banks of Chicago, the deposits on December 3 being in Boston \$6,079,644.83 as against \$6,406,550.38 in Chicago. The difference in favor of Chicago is only \$326,905.55.

Mr. BEVERIDGE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Indiana?

Mr. STONE. I do.

Mr. BEVERIDGE. That is a very, very striking discrepancy; and I am wondering whether the Senator in getting this data inquired as to why so comparatively little was given to a great industrial and financial center like Chicago, and so much to a city of lesser consequence in the extent of its industries and trade as Boston. Did the Senator get any explanation?

Mr. STONE. I have not addressed any inquiry to the Treasury Department on that subject.

Mr. BEVERIDGE. Of course they must have had a reason.

Mr. STONE. I have here on my desk part of a speech made by the Treasurer of the United States, Mr. Treat, in South Carolina, a few days ago, in which he undertakes to give some explanation.

Mr. SMOOT. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Utah?

Mr. STONE. Yes.

Mr. SMOOT. I should like to ask the Senator from Missouri if Boston is not the center of a greater population and of greater business interests than is Chicago to-day. Is not that the reason why the same amount of money was deposited at Boston as was deposited at Chicago, and not because of favoritism, or based on the population of the two cities?

Mr. STONE. The Senator asks if Boston is not a greater center of population and business than Chicago.

Mr. SMOOT. From a banking standpoint.

Mr. STONE. I should say not, clearly not, although I have not at hand the clearings of the banks of Boston or Chicago.

Mr. SMOOT. That is just what I was going to ask the Senator, whether he had taken that into consideration.

Mr. STONE. I am not taking anything into consideration at present. All I am doing at this moment is to lay these figures before the Senate for its consideration. I have not come to any discussion of the question, but I do want to lay this information, in this condensed and tabulated form, before the Senate.

Mr. BEVERIDGE. I did not understand the Senator from Missouri to state the question of the Senator from Utah as I understood the latter Senator. He did not say that Boston was a larger center with respect to population or anything of that kind, but he asked the Senator from Missouri whether it is not a fact that it is a larger banking center; that is, whether it does not have tributary to it a larger banking population which it serves than Chicago has which it serves.

Mr. STONE. I do not believe it has a larger banking constituency than Chicago. I should be astounded if that should prove to be true.

Mr. CLARKE of Arkansas. Mr. President—

Mr. STONE. Before the Senator from Arkansas interrupts me I will ask the Senator from Utah if he is prepared to answer his own question?

Mr. SMOOT. I have not here the figures of the clearings, but I have always understood that tributary to Boston there were greater banking interests and population than were tributary to Chicago.

Mr. CLARKE of Arkansas. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Arkansas?

Mr. STONE. I yield.

Mr. CLARKE of Arkansas. May I suggest to the Senator from Missouri that an answer to the inquiry of the Senator from Utah may be found in the fact that the capitalization of the national banks of Boston is \$26,050,000, whereas in Chicago it is \$27,400,000. It seems from the official record that Chicago is a greater financial center than is Boston.

Mr. SMOOT. That is the city alone. My question went to this point, whether there were not tributary to Boston—

Mr. STONE. What is tributary to Boston?

Mr. SMOOT. Tributary to Boston in a banking sense means the men and corporations who do their business at Boston and do it with Boston banks.

Mr. STONE. That is true of Chicago or any other point.

Mr. SMOOT. From Worcester, and all over the New England States.

Mr. STONE. Boston and New York are not very far apart. Mr. SMOOT. I would not call Boston tributary to New York, any more than I would call a town near Chicago, doing its banking business with Chicago, tributary to St. Louis.

Mr. BEVERIDGE. Is it not true—

Mr. STONE. The Senator will pardon me. The Senators who are evidently seeking among other things to break somewhat the force of these startling figures can do so in their own way. I have no objection to the interruptions, they will understand, but I can not undertake to speculate upon the reasons which induced the Secretary of the Treasury to make these discriminations.

Mr. BEVERIDGE. The Senator must acquit me of any desire to break the force of his figures. Of course I take the figures to be worthless unless there is some meaning attached to them, which is the point to my question. The Senator said in the beginning that my questions were very proper. With reference to the point the Senator from Utah was making, is it not a fact that Boston is the financial capital of all New England? I take it that is what the Senator from Utah means. Boston is the financial capital of all New England.

Mr. STONE. Suppose that to be true?

Mr. CLARKE of Arkansas. Before the Senator proceeds will he allow me to make another suggestion?

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Arkansas?

Mr. STONE. With pleasure.

Mr. CLARKE of Arkansas. It will be seen from this report of the Comptroller, dated December 3, 1907, that the individual deposits in national banks in Boston were \$130,632,576.08, while the deposits in the national banks in Chicago on the same day were \$131,946,741.30, being greater in Chicago than in Boston.

Mr. BEVERIDGE. Does the Senator say that the individual deposits in the banks—

The VICE-PRESIDENT. The Chair will call the attention of all Senators interested in this discussion to the importance of addressing the Chair before they proceed.

Mr. BEVERIDGE. I propound the inquiry whether the mere fact of individual deposits would indicate the comparative consequence of cities as banking centers.

Mr. STONE. It would be surprising to me if it were true that in any point of view, whether in population, in the extent of industries, in the volume of business, in the capitalization of banks, in the deposits in banks, or in any of those things that go to make up a great industrial and financial center, Boston exceeded Chicago. I do not believe it is a fact.

Mr. BEVERIDGE. Well, it is a fact that Boston is the financial capital of New England.

Mr. STONE. Oh, that may be; I do not know, but suppose it is.

Mr. BEVERIDGE. The Senator says, rather inconsequentially, that he does not know. But still it is rather important.

Mr. STONE. Perhaps. I can not answer any more than the Senator can—

Mr. CLARKE of Arkansas. In connection with the last remark made by the Senator—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Arkansas?

Mr. STONE. With pleasure.

Mr. CLARKE of Arkansas. I submit, in connection with the inquiry made by the Senator from Indiana, the further statement from the report of the Comptroller, which shows that on December 3, 1907, the loans and discounts of national banks in Boston were \$169,054,267.74, whereas on the same day the loans and discounts of national banks in Chicago were \$220,157,671.08 some fifty million dollars in excess in favor of Chicago in the matter of loans and discounts.

Mr. STONE. Did I understand the Senator from Indiana to say that that seemed to be convincing?

Mr. BEVERIDGE. I do not know what the Senator did understand of the conversation which was going on, as it sometimes does, between the Senator from Arkansas and myself. I say openly yes; that it seems to be rather a striking set of figures. I do not know what their interpretation is. It is not for me to interpret, because I am not learned on this subject. I have not investigated it as the Senator has. It is for me to inquire. We want to know. We want to learn. The Senator is handling this question. The Senator knows, or should know, the answers to the questions he raises.

Mr. STONE. I can not answer any more than the Senator from Indiana can the question whether Boston is the great headquarters for all the money transactions and business transactions of New England.

Mr. SMOOT. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Utah?

Mr. STONE. I do.

Mr. SMOOT. I should like to call the attention of the Senator from Missouri to the fact that Boston, by his own figures, had an increase of deposits of 58 per cent, while Chicago, a Western city, and complaint being made that it had not been treated fairly in this matter, had an increase of—I forget just the figures. What did Chicago show?

Mr. BEVERIDGE. What is the percentage?

Mr. STONE. Chicago?

Mr. SMOOT. Yes.

Mr. STONE. The increase of Chicago is 127 per cent.

Mr. SMOOT. While the increase in Chicago was 127 per cent, as against 58 per cent in Boston.

Mr. STONE. Now if the Senator will put down the figures of Boston, \$2,530,523.81 in August and \$6,079,644.83 in December, he will get the increase there.

Mr. SMOOT. Then the Senator from Missouri made an error in stating it was only 58 per cent.

Mr. STONE. I may have made some error in my statement, but you can get it exactly by calculating the per cent on the actual figures given.

Mr. SMOOT. But even with the figures as now given by the Senator from Missouri, the percentage as to cities will be about the same as stated.

Mr. BEVERIDGE. Seventy per cent greater in the case of Chicago than in the case of Boston.

Mr. SMOOT. Yes.

Mr. STONE. No, the per cent of increase is greater at Boston. The per cent at Boston is approximately 139 as against 127 at Chicago. But I stated to the Senate that when comparison is made on the basis of per cent it would not be so striking as when made on the basis of actual amounts deposited.

Mr. SMOOT. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Utah?

Mr. STONE. Certainly.

Mr. SMOOT. As to this very point I should like to say that in the five eastern States there were \$56,000,000 deposited during that time—August 22 to December 3—and in the Middle West there was deposited \$8,123,000; that is, only seven times as much in the five eastern States as in the western States. The Senator—

Mr. STONE. Are you speaking of Boston or of New England?

Mr. SMOOT. I am speaking of all of them as a whole, as you gave the figures. In the eastern States, including New York and all, there were deposited \$56,000,000 during that time. That was the increase.

Mr. STONE. Yes.

Mr. SMOOT. The middle Western States, you stated, had only eight million dollars increase; or, in other words, in round numbers about seven times more in the East than the West. The volume of business done in the eastern States, I believe, is a great deal more than seven times the volume of business done in the Middle Western States.

Mr. STONE. The Senator can hold to that belief if he desires. I am not prepared to give the Senate the aggregate volume of business of all kinds done in the different sections, but I do not believe the Senator's statement is by any means correct.

Mr. SMOOT. I think it is correct so far as the volume of business is concerned; and of the \$56,000,000, \$47,000,000 was put in New York alone.

Mr. STONE. Yes.

Now I make another comparison. I take St. Louis and compare it with Boston and Baltimore. Those three cities have about the same population. On December 3, Boston had deposited in its banks \$6,079,644.83, St. Louis had \$2,348,835.33. In other words, Boston held of public money 158.8 per cent more than St. Louis, and Baltimore had at that time \$3,899,722.84, or 66 per cent more than St. Louis.

Mr. SMOOT. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Utah?

Mr. STONE. If the Senator can explain it, it will be very gratifying.

Mr. SMOOT. I also notice that on August 22 the deposits in Boston, in Baltimore, and in St. Louis showed just as great discrepancies as to amounts as they did on December 3. Therefore it could not be favoritism during the financial panic which induced the Treasury Department to deposit more money in one than in the other. In other words, there was no more of an increase in Boston or Baltimore—

Mr. STONE. The Senator will pardon me. I have not said a word about the panic. I am simply laying certain facts be-

fore the Senate. I am calling attention to a state of facts, and upon that I predicate the inquiry whether the Treasury Department is obeying or disobeying the law in the distribution of these public deposits.

Mr. SMOOT. I took it for granted that the Senator took the dates here, August 22 and December 3, in order to show that in the deposit of money by the Treasury of the United States to help the banks during this time of stress, banks in certain cities had been favored as against those in other cities.

Mr. STONE. In the Senator's anxiety to defend the Treasury he anticipates and defends against a charge that has not been made.

Mr. SMOOT. Well, Mr. President, if the charge has not been made, I have nothing more to say.

Mr. STONE. Whether it will be made is another question. It has not yet been made. I took for the purpose of comparison the dates August 22 and December 3 because they were the latest dates covered by the two latest reports.

Now, Mr. President, I want to make another comparison—between Pittsburg and Kansas City. In population these two cities are about the same in size. On December 3 Pittsburg had \$5,142,309; Kansas City, \$647,538.87. During this financial storm through which the country has been passing, and no doubt because of it, one of the largest bank failures that has occurred was the failure of the National Bank of Commerce of Kansas City. With one exception, in the volume of its business, it was the greatest bank west of the Mississippi River. It may be that if there had been a more equitable distribution of the public funds, if more of them had been made available in Kansas City, if there had been an equitable distribution of them, this unfortunate failure might have been averted. I call the particular attention of my distinguished colleague to this comparison, since Kansas City is his home. And yet, Mr. President, in the face of all this the Republicans of Kansas City and that vicinity are still crying halleluiah to Roosevelt and clamoring for a continuation of "my policies."

I wish to make another comparison to which I ask the attention of the Senator from Utah, who seems to be interested in these tabulations. On December 3 the city of New York held of the public deposits \$75,829,742.66. Eight Middle Western cities had altogether but \$18,558,329.77, an excess in New York of \$57,271,412.89. In other words, the excess of deposits in New York, the mere excess, over and above the total of all deposits in all the eight greatest Middle Western cities, was three times as great as the total deposits in the eight Western cities named amounted to. There may be some explanation for this. If there is, it would be interesting to have it.

On December 3—I call the attention of my Southern friends to this—New York, as I have said, had \$75,829,742.66, while the twenty-one Middle Western and Southern States combined—twenty-one States—had but \$73,676,941.97. There was in the banks of New York \$2,152,800.69 in excess of the combined deposits in all the States of the Middle West and South. There may be some explanation for this. It would be interesting to hear it.

And here is another comparison to which I call the particular attention of the Senator from Utah. Washington City, this city in which the Capitol stands and the Treasury is located, on December 3 had \$4,581,538.46. The whole State of Iowa on that date had but \$3,615,397.46, Minnesota \$3,406,535.11, Missouri \$4,386,738.13, Texas \$2,746,603.65, Kansas \$2,148,292.35. In other words, the city of Washington had deposited in its national banks from one and a half to two million dollars more than were deposited in all the banks of Iowa, or in all the banks of Minnesota, or of Missouri, or of Texas, or of Kansas.

Mr. President, talk about resources, industries, and the need for money! Compare, if you will, the industrial and commercial importance and financial needs of such States as I have named with that of Washington City, this great emporium of Government clerks, boarding houses and retail shops. There may be some explanation for this, and if so it would be interesting to have it.

Mr. SMOOT. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Utah?

Mr. STONE. I do.

Mr. SMOOT. I should like to ask the Senator if he knows what was the increase in the deposits in the city of Washington?

Mr. STONE. If the Senator cares he can examine these papers and reports and find an answer to his question.

Mr. SMOOT. I thought the Senator had it before him and could answer it offhand, or I would not have asked the question.

Mr. STONE. No; I could not answer without referring to the reports.

Mr. President, another thing. It is said, and with good rea-

son, that the money placed in Southern and Western banks is not always placed there with the expectation that it is to remain there and serve the needs of the people living and doing business in the vicinity of the banks. I am told that in some instances, in how many I do not know, the stocks of Western and Southern banks are held, sometimes even to the point of control by Eastern banks or bankers, and that the funds nominally deposited in these Western and Southern banks are transmitted at the call of the New York banks to their vaults.

If that be true, as I am told it is, what is shown in these reports is not always reliable, by which I mean that when it appears that a given sum of money is deposited in the banks of the Middle West and South, and while in fact it was nominally deposited there, yet as many of these banks are controlled by the banks of New York, the money is soon transmitted, in large part at least, to that city. That a large amount of these deposits is really held by the banks of New York is shown in the reports.

Mr. HALE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Maine?

Mr. STONE. I do.

Mr. HALE. Mr. President, I shall not take much of the time of the Senator. As it is almost 2 o'clock there will be no opportunity to reply.

The Senator has arrayed figures showing discrimination as in favor of the East against the West, and has said that there may be some explanation of all this. I only wish to say that the Secretary of the Treasury is engaged day and night in bringing out, in order to submit to Congress, a complete answer not only to the Senator's resolution but to other resolutions. The Senator is not the pioneer of these resolutions; perhaps half a dozen have been introduced; and the Secretary of the Treasury has set to work to answer them. He is encumbered with a vast mass and collection of facts. It ramifies into every part of the country.

But I can assure the Senator that there will be completed, perhaps within a very few days, by the Secretary of the Treasury, who is giving his whole time, days and nights, to this subject, a complete answer upon the proposition that he has hewn to the line under the statutes the Senator has quoted, and that his distribution has been fair and just and equitable. The Senator will get this information at no distant day, as all the Senate will.

Mr. STONE. Mr. President, I make no pretension to being a pioneer in this field or any other. I am aware that resolutions covering different phases of Treasury transactions have been introduced and inquiries made. Possibly (as to that I am not prepared at this moment to speak definitely) information as to the deposits in the different banks of the country has been called for. I hardly think so, for it would be a useless labor to impose upon the Secretary of the Treasury, since all that information appears in the published reports of the Comptroller.

The purpose of my resolution, and it is so expressed in terms, is not to ask information of the Secretary of the Treasury, but to require the Committee on Finance to inquire whether the funds deposited by the Secretary of the Treasury in depositories have been equitably distributed as far as practicable in pursuance of law, and if not, then to report by bill or otherwise what legislation is necessary to compel obedience to the law.

Mr. BURROWS. Mr. President, will the Senator from Missouri yield to me for a moment?

Mr. STONE. I do.

Mr. BURROWS. If the Senator should have occasion to revise his remarks I would suggest that he will find upon examination of the printed reports of the Treasury Department that in this distribution of the public moneys upon an equitable basis, New England was entitled to 11.1 per cent and received 5.7 per cent; that the Eastern States were entitled to 41.8 per cent and received 50.6 per cent; that taking New England and the Eastern States together they were entitled to 52.9 per cent and they have 56.1 per cent of these funds; that the Southern States as a whole are entitled under an equitable distribution to 13.1 per cent of these funds and they have received 13.2 per cent; that the Middle West is entitled to 23.7 per cent and it has 19.8 per cent; that the Western States are entitled to 5.6 per cent and they have 4.2 per cent, and that the Pacific States are entitled to 4.7 per cent and they have 6.5 per cent.

I think if the Senator will examine—

Mr. STONE. May I interrupt the Senator?

Mr. BURROWS. He will find that the distribution of the deposits is as equitable and fair as could be made.

Mr. STONE. I understand the Senator to say that the dis-

tribution had been made on some authorized basis. On what authority? Upon what basis was the distribution made?

Mr. BURROWS. I suppose it was made upon the basis—
Mr. STONE. I mean upon what basis does the Senator fix the percentage?

Mr. BURROWS. I presume it was made upon the basis of the capital and surplus of the banks. That would be a proper basis, I should suppose.

Mr. STONE. The Senator supposes. Does the Senator know upon what basis the distribution was made?

Mr. BURROWS. I do not know, but I presume it was made upon that basis. That certainly would be equitable.

Mr. STONE. I will take that up now. I have here an excerpt from the Washington Post, being part of a dispatch from Columbia, South Carolina, giving extracts from a speech delivered on the 15th instant by Charles H. Treat, Treasurer of the United States, at a dinner given by the Columbia Chamber of Commerce. I wish to read from it:

The speaker said it had been charged by persons well informed that the Secretary of the Treasury showed favor to the New York City banks, in making Government deposits, over those of other sections.

Mr. Treat gave the figures to prove that New York banks were not unduly favored, pointing out that the percentage of public deposits to capital and surplus in those institutions during the months of acute panic was smaller than in some of the Southern States.

Mr. Treat said these figures fairly illustrated that the deposits of the Treasury were put where they were most needed to move the crops of the South, and that much of the money deposited in New York banks was afterwards loaned to Southern banks, so that the South got not only the use of direct deposits, but also a portion of those made to the banks of the North.

That is in accordance with the notion of the Senator from Michigan [Mr. Burrows]. The Senator and the Treasurer agree. The Senator said he supposed the distribution was made on the basis of capital and surplus. Mr. Treat says the distribution was so made. Very well; let us institute a little comparison on that basis.

On December 3 New York had on deposit \$75,829,742.66 and the Middle Western States \$44,135,001.01. New York had \$31,694,741.65 more than all the Middle Western States. The capital and surplus of the New York City banks at that date, as shown by the report of the Comptroller, were \$226,973,500, while the capital and surplus of the banks of the Middle Western States—

The VICE-PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated by the Secretary.

The SECRETARY. A bill (S. 2982) to codify, revise, and amend the penal laws of the United States.

Mr. OVERMAN. I ask unanimous consent that the unfinished business be temporarily laid aside until the Senator from Missouri can conclude his remarks.

The VICE-PRESIDENT. The Senator from North Carolina asks unanimous consent that the unfinished business be temporarily laid aside until the conclusion of the remarks of the Senator from Missouri.

Mr. HEYBURN. Mr. President, I object to laying aside the unfinished business.

The VICE-PRESIDENT. Objection is made to the request. The Secretary will proceed with the reading of the bill.

Mr. STONE. Who objected to the request?

Mr. HEYBURN. Mr. President, in view of the fact that we hope to-day to finish the consideration of the criminal code, the Senator from Missouri will—

Mr. STONE. I hope the Senator will let me conclude.

Mr. BEVERIDGE. Mr. President, I hope the Senator from Idaho will permit the Senator from Missouri to conclude his remarks. It is an ordinary courtesy.

Mr. CULBERSON. I was going to suggest—

Mr. STONE. I can make the speech on the bill when it is taken up—

Mr. CULBERSON. I suggest to the Senator from Idaho—
Mr. STONE. But it is only a matter of ordinary courtesy.

The VICE-PRESIDENT. The Chair will recognize Senators in regular order. Senators will please not address the Senate until after they have been recognized by the Chair. Does the Senator from Missouri yield to the Senator from Texas?

Mr. STONE. I do.

Mr. CULBERSON. I simply desire to suggest to the Senator from Idaho, and to others who are assisting and aiding him, that it is entirely unusual to object to a Senator concluding his remarks.

Mr. BEVERIDGE. I suggest to the Senator from Idaho that he permit the Senator from Missouri to proceed.

The VICE-PRESIDENT. The Chair again calls attention to the rule that the Chair must be first addressed.

Mr. BEVERIDGE. Mr. President—

Mr. HEYBURN. I have the floor I believe, and I think I can probably unravel this matter in a few words. I would inquire of the Senator from Missouri about how much time he contemplates will be occupied in the conclusion of his remarks?

Mr. STONE. I do not care to put a limit upon the time, but I was approaching the conclusion of what I had to say. I may want to enlarge it.

Mr. BEVERIDGE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Indiana?

Mr. HEYBURN. Yes.

Mr. BEVERIDGE. I appeal to the Senator from Idaho to permit the Senator from Missouri to conclude his remarks. The Senator knows, as we all know, that that is an ordinary courtesy which is always permitted here. A Senator midway in his address, of course, naturally wants to conclude the remarks which he is making. I hope the Senator will permit that to be done.

Mr. HEYBURN. Mr. President, no appeal is necessary from the Senator from Indiana on behalf of the Senator from Missouri. I think I understand the situation. I would very cheerfully yield to the Senator from Missouri—

Mr. STONE. Will the Senator permit me to interrupt him?

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Missouri?

Mr. HEYBURN. I would very cheerfully yield to the Senator, and it was entirely proper that I should inquire of him as to the probable time he would require. The regular order of business was called to the attention of the Senate. I have been in charge of the bill under consideration under that order of business. I desire to finish it as soon as possible. I recognize the fact that the Senator from Missouri would not like to have a break in the middle of his speech, but I desire to say that if I were to agree at all to it it would not be in order that any other Senator might speak on the subject to-day, or that any considerable debate might be engaged in.

I can consider the proposition of yielding for only a brief time; but if the Senator has no idea of the length of time he will require—

Mr. STONE. I ask for no favors of the Senator. Proceed with your bill.

Mr. HEYBURN. I am exactly in the position the Senator is in. I have a measure before the Senate and am proceeding—

Mr. STONE. I ask no favors of the Senator, Mr. President.

The VICE-PRESIDENT. The unfinished business is before the Senate and will be proceeded with.

REVISION OF THE PENAL LAWS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 2982) to codify, revise, and amend the penal laws of the United States.

The VICE-PRESIDENT. The Secretary will resume the reading of the bill.

The Secretary proceeded to read section 215.

Mr. CULBERSON. Mr. President, this seems to be a very important matter in the opinion of the other side, and I think there should be a full Senate present. I suggest the absence of a quorum.

The VICE-PRESIDENT. The Senator from Texas suggests the absence of a quorum. The Secretary will call the roll.

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

Ankeny	Cullom	Heyburn	Paynter
Beveridge	Curtis	Johnston	Perkins
Borah	Depew	Kean	Piles
Bourne	Dick	Kittredge	Richardson
Brown	Dixon	La Follette	Simmons
Bryan	du Pont	Latimer	Stephenson
Bulkeley	Flint	Lodge	Stone
Burnham	Frazier	Long	Sutherland
Burrows	Frye	McCreary	Tallaferro
Clark, Wyo.	Fulton	McCumber	Taylor
Clarke, Ark.	Gallinger	Nelson	Warner
Clay	Gamble	Newlands	Warren
Crane	Hale	Nixon	Whyte
Culberson	Hansbrough	Overman	

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

Mr. HEYBURN. I ask that the unfinished business be temporarily laid aside until the conclusion of the remarks of the Senator from Missouri.

The VICE-PRESIDENT. The Senator from Idaho asks unanimous consent that the unfinished business be temporarily laid aside until the Senator from Missouri concludes his remarks.

Mr. STONE. I object.

The VICE-PRESIDENT. Objection is made, and the Secretary will resume the reading of the bill.

The Secretary read the next section, as follows:

SEC. 215. [Whoever, being a postmaster or other person employed in the postal service, shall act as agent for any lottery office, or under color of purchase or otherwise, vend lottery tickets, or shall knowingly send by mail or deliver any letter, postal card, circular, or pamphlet advertising any lottery, gift enterprise, or similar scheme offering prizes dependent in whole or in part upon lot or chance, or any ticket, certificate, or instrument representing any chance, share, or interest in or dependent upon the event of any lottery, gift enterprise, or similar scheme offering prizes dependent in whole or in part upon lot or chance, or any list of the prizes awarded by means of any such scheme, shall be fined not more than one hundred dollars, or imprisoned not more than one year, or both.]

Mr. STONE. Mr. President, I move to strike out section 215.

The VICE-PRESIDENT. The Senator from Missouri moves to strike out the section just read.

Mr. STONE. I desire, Mr. President, to submit some observations in support of the motion.

The VICE-PRESIDENT. The Senator from Missouri.

Mr. STONE. Mr. President, when interrupted I was proceeding, in reply to the Senator from Michigan, to make a comparison on the basis of a percentage of bank capital and surplus as between the banks of New York and the States of the Middle West, the Senator being of the opinion that the distribution of deposits was made on that basis and as the Treasurer of the United States affirmed it was. I will go on with that comparison and see if the distribution was equitable even if made on that basis.

On December 3 there was deposited in the banks of New York \$75,829,742.66. In all the banks combined in the Middle Western States there was deposited \$44,135,001.01. There were in the banks of New York \$31,694,741.65 more than in all the banks of all the Middle Western States including, as they do, the cities of Cincinnati, Cleveland, Indianapolis, Chicago, Detroit, Milwaukee, Minneapolis, St. Paul, Des Moines, Dubuque, Kansas City, St. Joseph, and St. Louis, with an aggregate population of probably a million or more greater than that of the city of New York.

On December 3 the capital and surplus of the New York banks amounted to \$226,973,500. The capital and surplus of the banks of the Middle Western States—that is, Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, and Missouri—amounted to \$343,793,806.08, or an excess in favor of the banks of the Middle Western States of \$116,820,306.08 over the capitalization and surplus of the banks of New York.

Mr. BEVERIDGE. Capitalization and surplus?

Mr. STONE. Capitalization and surplus. The Treasurer of the United States gave it out in his speech at Columbus, S. C., that the distribution was made largely upon the capital and surplus of the banks; and that is the contention of the Senator from Michigan [Mr. BURROWS]. But it appears by these reports that the capital and surplus of the banks of these Western States is over 50 per cent greater than the capital and surplus of the banks of New York; and yet the banks in New York received \$31,694,741.65 more money than was paid into the banks of these Western States.

Now take the South. On December 3 the deposits of public funds in the banks of the Southern States—that is to say, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Arkansas, Kentucky, and Tennessee—amounted to \$29,541,940.96. At that time New York held of these deposits \$46,287,801.70 more than all the Southern States. At that date the capital and surplus of the New York banks, as I have shown, was \$226,973,500, while the capital and surplus of the banks of the Southern States was \$189,247,759.88. The excess of capital and surplus of the New York banks over the capital and surplus of the banks of the Southern States was \$37,725,740.12.

Mr. BEVERIDGE. Mr. President—

Mr. STONE. In a moment. In New York City the percentage of deposits to capital and surplus was about 33 per centum; the percentage of deposits to surplus and capital in the Middle Western States was about 12 per centum, and in the Southern States about 15 per centum.

Mr. BEVERIDGE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Indiana?

Mr. STONE. Yes, sir.

Mr. BEVERIDGE. Mr. President, I wish to ask the Senator whether he is not now comparing a group of States on the one hand with the city of New York on the other hand, instead of comparing a group of States—the Middle Western States or the Southern States—on the one hand with the Eastern States on the other hand? Of course, the point of that question is clear to the Senator. The Senator from Michigan (Mr. BURROWS) stated that this distribution was based upon capital and surplus. If the Senator is showing whether that is true or un-

true, he would necessarily have to compare one set of States with another set of States, and not one set of States with a single city in another set of States.

Now, just one word more and I am through with my question. The deposits in New York, as the Senator admitted very early in this debate, were caused by the fact that it was the central banking city of that whole region. I do not make these suggestions, Mr. President, in any wise to defend any improper distribution of money, and if anything of that kind is done I shall be against it quite as earnestly as the Senator; but I again ask him if he is not comparing a group of States with a single city in another group of States?

Mr. STONE. That is what I did.

Mr. BEVERIDGE. If that is true, the Senator must admit—

Mr. STONE. I have already compared cities with cities.

Mr. BEVERIDGE. The Senator has compared cities with cities, and now he is comparing a group of States with a city. The Senator from Michigan stated that this distribution was made according to capital and surplus, but the Senator from Missouri is comparing bank capital and surplus in a section of States with the bank capital and surplus in one city of another set of States, instead of comparing one set of States with another set of States.

It has been brought out three or four times here that the excess of deposits in New York City in comparison, for instance, with Philadelphia, Baltimore, and other cities, was due to the fact that New York is the central banking capital not only of the eastern set of States, but of nearly all the States. I submit to the Senator whether he does not himself think that that takes the virtue out of his comparison.

Mr. STONE. I do not.

Mr. BEVERIDGE. I do.

Mr. STONE. On the contrary, I think if the Senator will take the trouble himself to make the comparison that he thinks ought to be made he will find that the discrimination and disparity will still be apparent.

Mr. BEVERIDGE. I never could admit that, I will say—and it perhaps has nothing to do with the debate—because I have sat in this Chamber for some time with the Senator from Missouri, and if ever he has yet admitted a point that would bear very heavily upon a proposition he has advocated I have failed to see it.

Mr. STONE. Mr. President, I have made comparisons now until I have wearied the Senate, and I might go on for a whole day making them. The Senator can take the comparisons that I have made and take the reports of the Comptroller, and get what comfort he can out of them on the lines he has in mind.

Mr. BEVERIDGE. I was merely asking, and then, when I found out, pointing out the fact that the comparisons which the Senator is now making, and which do seem rather outrageous on their face, are between a set of States on one hand, all bunched together, and between a single city in another set of States on the other, the inequity of all of which will appear from the statement.

Mr. STONE. I make this further statement, then, for the benefit of my friend from Indiana. On December 3 the capitalization of all national banks was \$901,681,682. The surplus of all the banks was \$549,614,684.05, and the deposits at that date in all the banks were \$223,117,082.61. The deposits thus loaned without interest equal approximately 24 per cent of the total capital, and approximately 40 per cent of the total surplus of all the banks, and practically one-half of the whole was loaned to the banks in these six Eastern cities, including Washington.

Mr. President, Mr. Treat also says that the money deposited in New York was loaned to the banks of the South, and thus they had the benefit not only of the United States deposits but of their own. I would like to inquire why these public moneys were deposited in such excessive amounts in the banks of New York without interest, that they might be loaned by those banks to the banks of the South at interest—

Mr. BEVERIDGE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Indiana?

Mr. STONE. In a moment—when if a fair basis of distribution had been observed, the money would have been placed in the banks of the South in the first instance, and there met the demand of the people for money to move their crops and carry on their business.

Mr. BEVERIDGE. First, does not the Senator think capitalization and surplus is a fair basis of distribution?

Mr. STONE. Mr. Treat said so.

Mr. BEVERIDGE. Then, second, in answer to the point the Senator makes—which is very plausible on its face—the

Senator certainly would not have the Government go into the banking business?

Mr. STONE. No; I do not want the Government in the banking business.

Mr. BEVERIDGE. That is the point. Therefore, the Senator would have the deposits made in accordance with capital and surplus, and then have the money distributed according to the banking system and not by the Treasury Department as a banking institution.

Mr. STONE. I do not want the Government to go into the banking business. I have always opposed it, but, as my friend from Arkansas [Mr. CLARKE] suggests in an aside to me, if the Government does go into the banking business, I do not want it all done in one section of the country or chiefly to the advantage of one section of the country.

Mr. BEVERIDGE. Well, of course, Mr. President, with reference to that, I take it that both the Senator from Arkansas and the Senator from Missouri, if they did permit the Government to go into the banking business, would have the Government do banking business at the natural financial and banking business centers, and not according to political distribution or geographical distribution.

Mr. STONE. Whenever I come to the point that I am willing for the Government to go into the banking business at all, I would want it to do it upon a basis that will, in the administration of the law, develop equality among all sections of the country, without showing favoritism to any particular section of the country as against other sections.

Mr. BEVERIDGE. Equality being of course, since the Senator is speaking of the banking business, based upon business and not upon geographical distribution.

Mr. STONE. Business has something to do with it, but I think people have something to do with it also.

Mr. BEVERIDGE. The business the people do.

Mr. STONE. The people need money for business purposes. They do not care to have it for any other purpose that I think of. Money is only a business agency.

Mr. BEVERIDGE. I would ask the Senator whether that is not a little extravagant?

Mr. STONE. But I think, when we come to distribute the fund, population ought to have some consideration. The fact is, as we all know, Mr. President, that the demand for money in New York, the claim made that there was a pressing and immediate need for money in New York, was due to the fact that there was a call from the banks in the South and West for money to be used in moving the crops raised on the wheat fields of the Northwest, on the great corn and grain fields of the Middle West, and on the cotton plantations of the South. There is where the money was most needed for legitimate business. The bankers of New York said so; it was the common understanding, and yet with the banks of New York holding millions of money that belonged to their correspondents in the South and West—the banks of those sections—and refusing to deliver it when it was demanded and sorely needed, the Secretary of the Treasury takes the public funds and places them, without interest, not in the sections where money was most needed, but in the banks of New York, that they might loan the deposits to the banks of the South and West to be in turn loaned at a high rate of interest to the people.

Mr. BEVERIDGE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Indiana?

Mr. STONE. I do.

Mr. BEVERIDGE. The Senator has touched upon an extremely important and unpraiseworthy practice in our banking system, upon which I wish that he would say just one word. But before I point that out to him, I will say that I condemn as much as does the Senator from Missouri or any other Senator the practice of New York banks in getting hold of all the money they can and using it. But will the Senator point out why it is—because it goes to the heart of all this money congestion in New York—that the Western and Southern banks have their money in New York? I do not want to go on and answer my own question, but I will ask the Senator, who has given profound study to this question, if it is not because of the desire of the bankers of the South and West and elsewhere, to place their surplus money in New York, where they can earn the most on it, instead of keeping it in their own communities for loans to their own constituents? Has not that practice grown up, and is it not the heart of the reason for the congestion of money from our Southern and Western States in the New York banks? The New York banks can not be blamed for taking the money of these fellows if they want to loan it out upon the curb for very high interest. The bankers who send their money there in order to get part of that adventurous profit are entirely to

blame, are they not? I think the Senator now—he knows, and I am asking him—has put his finger upon a very weak place in the whole banking principle.

Mr. STONE. The Senator from Indiana very nearly answers his own question. He asks why the banks of the South and West send their money to New York. For more than one reason; partly that they may meet their exchanges in New York, but chiefly, I assume, because the banks of New York offer them a rate of interest—

Mr. BEVERIDGE. Exactly.

Mr. STONE. On their deposits that tempt them to send it there.

Mr. BEVERIDGE. Therefore, they put their money in hazard by reason of the temptation of this high rate of interest.

Mr. STONE. My friend says "in hazard." It ought not to be in hazard.

Mr. BEVERIDGE. According to the Senator's showing—

Mr. STONE. It ought not to be in hazard. The banks of New York are supposed to be solvent, and for the most part I am sure are solvent. And then if they can have the Treasury of the United States behind them, as they seem to have, money intrusted to them should not be in hazard.

Mr. BEVERIDGE. If that is so, there is no objection to the bankers sending money to New York.

Mr. STONE. There is a very serious objection to it.

Mr. BEVERIDGE. The Senator is getting tangled up.

Mr. STONE. I do not say that money deposited in New York is placed in hazard ordinarily; I do not think it is. But it boots nothing to ask what induces the bankers of the South or West to place their money on deposit in New York. The fact is they do it for reasons of their own. According to the terms of the deposits, they have a right to call it, perhaps on demand, or on time, as the case may be; but the fact remains—and it is a fact of common knowledge—that during the last three or four months, when the Western and Southern banks did call upon the New York banks for their money held on deposit there, it was denied, and they were unable to get a dollar in the usual course of business.

Mr. BEVERIDGE. They had it loaned out.

Mr. STONE. I do not care what they had done with it. They refused to pay a dollar, and I know as a matter of fact—that is to say, I know it upon the assurance of bankers in St. Louis, who are at the head of some of the leading institutions of that city—that during the financial stress they went to New York and bought currency and paid from 1½ to 2 per cent premium for it.

Mr. TELLER. Three per cent.

Mr. STONE. The Senator from Colorado says 3 per cent. I know it was a high per cent. They bought it in New York and had it shipped out to them in the West. They were compelled to buy currency at a high premium, although they had their own money on deposit in New York. It was withheld, and all kinds of devices, such as clearing-house certificates and other kinds of certificates, were resorted to, as we know.

Mr. President, from my point of view, in the face of that state of affairs, for the Treasury Department to take \$50,000,000 or thereabout—

Mr. CULBERSON. Forty-seven million dollars.

Mr. STONE. Forty-seven million dollars of public funds and pour it into the vaults of the New York banks that they might loan it out or sell it to the banks of the West and South for use in carrying on the business of those sections is indefensible.

Mr. BEVERIDGE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Indiana?

Mr. STONE. Always, with pleasure.

Mr. BEVERIDGE. Now, Mr. President, to get the Senator's mind on this question, I would ask him if he were Secretary of the Treasury and had to distribute this money, or thought it wise to do so, would he distribute it upon any other basis than capital and surplus and amount of business done? Would he make a geographical distribution?

Mr. STONE. What is the meaning—

Mr. BEVERIDGE. Of "equitable distribution?"

Mr. STONE. Of the law, which says the money shall be placed among the different "States and sections." There is a geographical description—

Mr. BEVERIDGE. Quite true.

Mr. STONE. Written in the very letter of the law.

Mr. BEVERIDGE. Quite so, if there were not also in the letter of the law the word "equitable." Of course, if the law had meant geographical distribution, it would have said "among the several States and sections," but it did not mean that, and, therefore, the word "equitable" was put in. That was the reason I asked the Senator in the very beginning of this debate

whether the word "equitable" did not include the general volume of business done over the country, amount of capital, surplus, etc. Now, I ask the question, since he thinks this involves a criticism—it may be a just criticism, and I am not complaining of the Senator's criticism—whether if he were Secretary of the Treasury and had this distribution to make, he would make it upon any other basis than capital, surplus, extent of business done, and points of pressure?

Mr. STONE. Yankee fashion, I will ask the Senator another question.

Mr. BEVERIDGE. The Senator would not mind answering my question, would he?

Mr. STONE. If the Senator were Secretary of the Treasury and he found that in the banks of New York, for instance, there were already on deposit an amount of public moneys equal to the total amount of such moneys on deposit in the eight great States of the West, and if he found also that the banks in Indianapolis and Chicago and St. Louis had their moneys on deposit in New York and could not get a dollar except by going there and buying it—buying their own money from the banks there and paying a premium for the currency—if he found that state of facts, would he then go and pour another fifty million dollars of Government money into the vaults of those banks that they might loan it out also to his constituents, the bankers of Indianapolis, or to mine, the bankers of St. Louis?

Mr. BEVERIDGE. Mr. President, I will gladly—

Mr. STONE. Would that be equitable?

Mr. BEVERIDGE. I will gladly answer the Senator's question when I have studied the subject as thoroughly as the Senator has studied it; but, since the Senator has thoroughly studied it and I have not, and since he is the teacher and I a learner, and a respectful one, I ask the Senator again to answer my question, which he parried by asking me another. If he were Secretary of the Treasury and had the distribution to make, would he make it upon any other basis?

Mr. STONE. I would make an equitable distribution.

Mr. BEVERIDGE. "Equitable distribution!" I asked the Senator at the beginning of his remarks how he interpreted the word "equitable," and he stated it was a proper and pertinent question and that he would answer it later in his address. So I ask now what the word "equitable" does mean?

Mr. STONE. I will say to the Senator that I think the distribution ought to depend upon several things.

Mr. BEVERIDGE. So do I.

Mr. STONE. It ought to depend somewhat upon geographical divisions—sections and States should be taken into consideration. I think it ought to depend also—

Mr. BEVERIDGE. Mr. President—

Mr. STONE. Wait a moment. Let me get through.

Mr. BEVERIDGE. I want to speak of that geographical matter.

Mr. STONE. It ought to depend also to a greater or less degree upon population in the different sections and States, and it ought to depend also upon the volume of business of all kinds—

Mr. BEVERIDGE. Quite right.

Mr. STONE. Done in the different sections and States; and it ought to depend again at stated intervals as these deposits are made upon the especial need of the different sections and States at a given time.

Mr. BEVERIDGE. Quite right.

Mr. STONE. There are many considerations that ought to obtain in addition to the mere question of capital and surplus of the banks. All these things and others ought perhaps to be taken into consideration in making a distribution.

Mr. BEVERIDGE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Indiana?

Mr. STONE. Certainly.

Mr. BEVERIDGE. I agree with the Senator. I think he has given a very clear and fair answer to that question in everything except as to the element of geography. I do not believe on second thought the Senator will include the element of geography. If he would include it, I would ask him how much money he would send to Alaska?

Mr. STONE. I cannot answer that.

Mr. BEVERIDGE. Certainly not.

Mr. STONE. The Senator might ask me how much I would send to the Hawaiian Islands.

Mr. BEVERIDGE. Certainly. It shows that geography has nothing to do with it.

Mr. STONE. The Senator might ask me how much I would send to "Bugletown," or some other place.

Mr. BEVERIDGE. Certainly. It shows that geography as an element has absolutely nothing to do with it.

Mr. STONE. But the statute does put that element in it.

Mr. BEVERIDGE. Oh, the statute says "equitably among sections and States."

Mr. STONE. That is what I said; that it should be distributed equitably among the different States and sections, and that the matter of geographical subdivisions—

Mr. BEVERIDGE. Had not a thing to do with it.

Mr. STONE. I think it has something to do with it, and ought to be taken into consideration.

Mr. BEVERIDGE. Mr. President, for instance, suppose it were possible that a certain State or section did not have any business at all and it was as big as all Alaska. Of course, he would not under the law send any money there. The Senator is right in everything except geography and, therefore, he does not answer how much money he would send to Alaska, because he would not send any.

Mr. STONE. We will not further debate the subject of geography.

Mr. BEVERIDGE. We will eliminate that.

Mr. STONE. We will eliminate that.

Mr. President, I am about through with what I care to say. It seems to me that the course taken by the Secretary of the Treasury has been all wrong; it seems to me that it is sectional favoritism on the one hand, and sectional discrimination on the other.

Mr. BEVERIDGE. That is just the reason I asked the Senator about the geographical question.

Mr. STONE. Moreover, it is violative of both the letter and spirit of the law. An investigation should be had with a view to fully developing the facts and the whole truth of the situation, and if it is found that additional legislation is necessary to prevent evasions of the law and to compel executive officers to respect the will of Congress as expressed in its laws then let that legislation be speedily enacted.

I withdraw the motion I made to strike out the section.

Mr. TELLER. Mr. President, I do not care to discuss the financial question, but I think it is but fair to say that the trouble we have had financially—I mean the lack of money—in my opinion arises out of the system we have and not out of the administration of law. It is possible and probable that the Treasury Department did not distribute the money in proportion to banking capital or population. There was one point in the United States which was the storm center of the whole trouble, and that was the city of New York. We, in the West, did not need any money; at least I have heard no complaint from that section. I should not myself have been willing to ask the Department to send any money to Colorado or any other Western State, because I do not think they needed it. The papers announced that the banks of Denver had \$11,000,000 in New York and could not draw it; and no doubt that was true. It is true, as has been suggested, that it is a mistake to have so much money put into New York by banks in other cities; but that is their own fault. It is not necessary. There are other reserve cities where they can put it—St. Louis, Chicago, and other cities. Undoubtedly when the banks send their money to New York it induces speculation, overloading, overtrading, and then a panic comes, as panics will come hereafter.

At least panics have always come in every country that had a financial system approximating to ours or anything like it.

The question for the Department to determine was, in my opinion, how it could best conserve the public interest by the distribution of this money. I am not a particular admirer of the financial history of this country, but I think it is only just to say that, in my judgment, the Secretary of the Treasury could not have served the country better than by putting the money in New York City. A large number of trust companies there—anywhere from twelve to fifteen—were just in condition to go to the wall. They needed money. The banks in New York City came to the relief. They raised a large amount of money to save the trust companies. If the trust companies had failed, there would have been practically failure all over the United States. The people of the West were just as much interested in maintaining the integrity of those trust companies as were the people of New York or of New England.

Mr. President, I think we have a vicious system of finance. I expect it will continue. I have no idea there will be any reform in it for years to come. It is a system which has been condemned by the wisest financiers of the world. It has been condemned in this country by men who have given thought and attention to it. Yet we are likely to go on in the same way, and if we do shall have the same trouble.

I am not willing to vote to restrict the Secretary of the Treasury, when such a time comes, to placing the money ac-

ording to population, according to geography, according to bank capitulation or circulation, or anything of that kind. You leave with one man the authority to control the entire financial system of the United States. It is a vicious principle, Mr. President, but until you abandon that principle you have to trust somebody. In this case I have no doubt the President of the United States practically ordered the distribution, although I do not know that he did.

There is one thing more I should like to say. This is an age of criticism of people who have money. They have been charged with having brought on this panic. I think the panic resulted from overtrading and overspeculation and overloaning and from the price of some securities soaring way beyond what they were worth. Securities had been run up to a hundred and fifty and a hundred and sixty that went down to thirty, and when they got down to thirty they were nearer their real value than when they were at a hundred and sixty.

I think had it not been for some of the rich men of the country, who have been denounced in the public press and in certain magazines as being inordinately rich, there would have been a panic in New York which would have wiped out practically all the trust companies and all the banks. Men there who have been held up to public contempt for years came forward and put their entire capital practically into the breach. One man put in \$40,000,000. It may be said that no man ought to have \$40,000,000, and I do not think he ought to have, but there is no way to prevent it unless you are going to interfere with the business, the energy, and the skill of mankind.

Mr. President, some of these rich men could have made a great deal of money by letting the banks fail. I think I could name a man in New York City who could have made a hundred million dollars as easily as turning his hand over by withholding the contribution he made to relieve the banks and trust companies in New York City.

I think this ought to be an object lesson to us—not because I think there has been discrimination or unjust treatment by the Secretary—to satisfy us that we have a system of finance which ought to be changed. I do not know whether it can be, although I believe it can. Some other countries have a better financial system than ours; at least they do not have quite so many frightful panics. You can not base the American system of finance upon that of any other country in the world. There is no country like this. There is no country where there are the same progress and push. There is no country where business men will take such chances as they take here. Because we have had that kind of men we have progressed as no other nation in the world has ever progressed. In my opinion it is not possible, legally or properly, to put a stopper, if I may use the term, upon the force and push and energy of the American business men. It will go on. It belongs to us as a nation. It has grown out of the fact that we had a new continent. We had a country of unusual resources. We have had here opportunities to make money that no other people in the world had. We have had incentives to make money that no other people had.

Mr. President, I have said this only because I wished to emphasize the fact that this is a good opportunity, not that I have the slightest hope that it will be availed of, to establish the financial system of this country upon a proper basis. I have some ideas on the subject, but I should gladly surrender them to anybody who could show that they are not sound. I would be glad to join with anybody, yielding my own judgment in many particulars, in adopting a proper financial system. I do not believe we can ever adopt a financial system here so that there may not be these recurring troubles.

We have a large amount of paper money. It is issued by the banks, guaranteed by the Government of the United States. There was not a man during the panic who looked to see what national bank issued a bank note or what State it came from. The possessor knew it was a national-bank bill, issued by a bank, and that the Government of the United States had guaranteed it, and there was no question. The recent panic was unlike the panic which occurred when I was a boy, when bills were scanned for weeks and months before the panic; when banks would not take them on deposit unless you put them in as a special deposit, in order that they might pay you back the bills you put in. That occurred, to my knowledge, just before the outbreak of what we call the rebellion. We have no system of that kind. Our banks are all right.

We have \$346,000,000 of paper money issued by the Government of the United States; and now the banks and the Treasury Department and everybody else put it down as lawful money. It is lawful money. Why, Mr. President? In the first place, it will pay any debt you owe, whether to the Government or to anybody else; and that is the function of money which

always maintains it to its standard, unless you have more money afloat than the business of the country requires. Then, if you have gold and silver, it may seek a market in Europe or some place else. Paper money will not, because it will not do money duty abroad. You must restrict the volume of paper money to the needs and demands of commerce.

Mr. President, I presume some gentlemen will tell me that the greenback is at parity with gold, because it is redeemable in gold. British consols have no guaranty of ever being paid. They are not redeemable. They draw interest. They are purchased by people who desire to put away money. It is not necessary that you should guarantee greenbacks in gold. But they are guaranteed in gold.

Mr. President, we saw the greenbacks go from par to 38 cents. Somebody may say that was an object lesson against paper money. But it was not money under the law. We were collecting in the neighborhood of two hundred and fifty or three hundred million dollars in import duties, and we denied to the importer the privilege to use the greenback in the payment of customs dues. The moment Mr. Sherman, who was Secretary of the Treasury, before the time authorized by law in the act of 1873 for the redemption of the greenbacks, made an order, which I think he had the right to do—and I think it was the wisest act of his administration that I ever did know of—to the collectors of the ports to take the greenbacks as they did gold, that minute the greenback went to the value of gold; and it would have been there from the day it was issued until this time if it had had that function, or if, in other words, it had had the full function of money.

Mr. President, under a bill that you will have here after a while we are going to issue under certain conditions what is called "emergency money." I do not think it will remove the trouble.

I doubt very much whether it will meet the wants of the people when trouble comes. It seems to me the way to meet it would be for the Government of the United States to issue \$500,000,000 of this paper money, put it in its vaults, and when the time comes put it out. You could not put it out fast enough to meet the emergency by buying something and paying for it. What is to be done with it? What is proposed to be done with it under those circumstances? You will use the banks as the agencies to carry it out. You will have to put the money in the banks just as you do under the present system. I do not suppose anybody would have approved it if the Secretary of the Treasury had said, "I am going to keep the money in the vaults of the nation; I know it is safe here, and I am going to keep it here." What would have happened if he had done that? I can not tell, and nobody else can tell. I do not suppose anybody believes we would have got along as well as we did. Undoubtedly there would have been a panic such as we have never seen in this country. The money had to be put out; and if the Secretary of the Treasury is to distribute the money, he must use his discretion at such time, if he is a useful citizen and if he is to take charge of the finances of this country, which under the present system he practically must do. You can not make any fixed rule by which he shall distribute it. In this instance he put it where I think it ought to have gone—in the city of New York—where the storm center was, where the trust companies were just ready to surrender.

Mr. President, I am not concerned with the trust companies; I do not care anything about them especially; but they held millions of the people's money; they held in their vaults securities that would have greatly depreciated if they had shut their doors.

Mr. CLARKE of Arkansas. Mr. President—

The VICE-PRESIDENT. Does the Senator from Colorado yield to the Senator from Arkansas?

Mr. TELLER. Certainly.

Mr. CLARKE of Arkansas. Is it not possible the Senator is mistaken when he says the national banks and certain patriotic bankers, not the entire number of national banks, came to the rescue of the trust companies? The statement which the Senator from Missouri [Mr. STONE] presented to the Senate to-day shows that the national banks on the 3d of December owed the trust companies \$6,000,000 more than they owed them on the 22d of August, 1907. It looks very much as if the trust companies came to the rescue of the national banks.

Mr. TELLER. I do not care to name the banks, or to call individuals by name; but I will say to the Senator that if he will take the pains to investigate he will find that a few men put out \$25,000,000 of money in a single day for the express purpose of saving the trust companies.

Mr. CLARKE of Arkansas. We interpret that differently. It looks to me like they put it there to prevent an avalanche,

and to stop the decline in stocks which was then in progress. It was to aid stock speculation, and not the trust companies.

Mr. TELLER. That would have followed. Perhaps they were not entirely lacking in mercenary interest. I do not mean to say they did not have interests to maintain. But I do say that some men who had large amounts of money came to the rescue. Those men might have benefited themselves by letting the bottom fall out, and then buying the securities held by the banks.

Mr. BEVERIDGE. They did it to break the high rate of interest.

Mr. TELLER. And to give the people confidence.

Mr. BEVERIDGE. Certainly.

Mr. TELLER. And to give the people confidence in the institutions where their deposits were, from which they could not for the moment get the money.

Mr. BEVERIDGE. It was, as I understand, unheard of. These men, to whom everybody is grateful, put a vast sum of money on loan at a reasonable rate of interest.

Mr. TELLER. Certainly. It was a pretty good rate of interest—10 per cent.

Mr. BEVERIDGE. Six per cent.

Mr. TELLER. I have been through other panics in my life. I have been interested—not financially to any extent, but as an attorney—in several banks. When people know the money is in the bank they are in no hurry to get it. When they do not know it is there they want to be the first ones at the window. That is the trouble. I have no doubt that during the late crisis there was a billion dollars held by individuals in the United States because they were afraid to put it in bank.

Mr. President, I did not intend to say anything on this subject, but I thought it was a fair opportunity to express my disgust with the present banking system. It is not new to the Senate, because I have expressed my opinion on the subject heretofore.

The VICE-PRESIDENT. The Secretary will resume the reading of the bill.

The Secretary read as follows:

SEC. 216. [Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, or to sell, dispose of, loan, exchange, alter, give away, distribute, supply, or furnish or procure for unlawful use any counterfeit or spurious coin, bank note, paper money, or any obligation or security of the United States, or of any State, Territory, municipality, company, corporation, or person, or anything represented to be or intimated or held out to be such counterfeit or spurious article, or any scheme or artifice to obtain money by or through correspondence, by what is commonly called the "sawdust swindle," or "counterfeit-money fraud," or by dealing or pretending to deal in what is commonly called "green articles," "green coin," "green goods," "bills," "paper goods," "spurious Treasury notes," "United States goods," "green cigars," or any other names or terms intended to be understood as relating to such counterfeit or spurious articles, shall, for the purpose of executing such scheme or artifice or attempting so to do, place, or cause to be placed, any letter, postal card, package, writing, circular, pamphlet, or advertisement, whether addressed to any person residing within or outside the United States, in any post-office, or station thereof, or street or other letter box of the United States, or authorized depository for mail matter, to be sent or delivered by the post-office establishment of the United States, or shall take or receive any such therefrom, whether mailed within or without the United States, or shall knowingly cause to be delivered by mail according to the direction thereon, or at the place at which it is directed to be delivered by the person to whom it is addressed, any such letter, postal card, package, writing, circular, pamphlet, or advertisement, shall be fined not more than one thousand dollars, or imprisoned not more than five years, or both.]

Mr. HEYBURN. I call attention to one change especially, in the latter part of the section, where the law is amended so as to include matter mailed outside of the United States. In order to avoid the provisions of existing law these fraudulent schemers have resorted to the plan of going outside of the United States to mail their fraudulent matter, and the law is amended so as to meet that condition which has presented itself to defeat the purpose of existing law. I do not think there is any other change, which is not obvious upon the face of the bill, that needs any further explanation.

The VICE-PRESIDENT. The Secretary will resume the reading of the bill.

The Secretary read as follows:

SEC. 217. [Whoever, for the purpose of conducting, promoting, or carrying on, in any manner, by means of the post-office establishment of the United States, any scheme or device mentioned in the section last preceding, or any other unlawful business whatsoever, shall use or assume, or request to be addressed by, any fictitious, false, or assumed title, name, or address, or name other than his own proper name, or shall take or receive from any post-office of the United States, or station thereof, or any other authorized depository of mail matter, any letter, postal card, package, or other mail matter addressed to any such fictitious, false, or assumed title, name, or address, or name other than his own proper name, shall be punished as provided in the section last preceding.]

Mr. HEYBURN. The section is enlarged so as to include

existing conditions that have arisen since the enactment of the original statute. That is to say, there are now other depositories than the post-office in which mail may be placed, and the statute is made sufficiently broad to include them.

The VICE-PRESIDENT. The Secretary will resume the reading of the bill.

The Secretary read as follows:

SEC. 218. [All kinds of poisons, and all articles and compositions containing poison, and all poisonous animals, insects, and reptiles, and explosives of all kinds, and inflammable materials, and infernal machines, and mechanical, chemical, or other devices or compositions which may ignite or explode, and all disease germs or scabs, and all other natural or artificial articles, compositions, or materials of whatever kind which may kill, or in any wise hurt, harm, or injure another, or damage, deface, or otherwise injure the mails or other property, whether sealed as first-class matter or not, are hereby declared to be nonmailable matter, and shall not be conveyed in the mails or delivered from any post-office or station thereof, nor by any letter carrier; but the Postmaster-General shall permit the transmission in the mails, under such rules and regulations as he shall prescribe as to preparation and packing, of any articles hereinbefore described which are not outwardly or of their own force dangerous or injurious to life, health, or property. Whoever shall knowingly deposit or cause to be deposited for mailing or delivery, or shall knowingly cause to be delivered by mail according to the direction thereon, or at any place at which it is directed to be delivered by the person to whom it is addressed, anything declared by this section to be nonmailable, unless in accordance with the rules and regulations hereby authorized to be prescribed by the Postmaster-General, shall be fined not more than \$1,000 or imprisoned not more than two years, or both; and whoever shall knowingly deposit or cause to be deposited for mailing or delivery, or shall knowingly cause to be delivered by mail according to the direction thereon, or at any place to which it is directed to be delivered by the person to whom it is addressed, anything declared by this section to be nonmailable, whether transmitted in accordance with the rules and regulations authorized to be prescribed by the Postmaster-General or not, with the design, intent, or purpose to kill, or in any wise hurt, harm, or injure another, or damage, deface, or otherwise injure the mails or other property, shall be fined not more than \$5,000 or imprisoned not more than ten years, or both.]

The VICE-PRESIDENT. The section in italics will be passed over.

Mr. HEYBURN. Section 218 may be passed over for the present.

Mr. CLAY. I will say to the Senator from Idaho that when that section comes up I will be very glad if he will call my attention to it, as I want to be present and discuss it.

Mr. HEYBURN. I suggest that sections which are being passed over, which are what might be termed new sections, will probably be printed separately after we have disposed of the other sections of the bill, and the Senator's attention will be directed to it. It will not be called up until after the other sections are entirely disposed of.

Mr. CURTIS. Mr. President—

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Kansas?

Mr. HEYBURN. Certainly.

Mr. CURTIS. I desire to know whether notice will be given when section 218 will be taken up. There is an amendment to that section which I should like to offer at the proper time.

Mr. HEYBURN. There are a number of sections which have been passed over that will precede this one, and the sections that are passed over, so far as we may control it, will be taken up in their order. In other words, I think the Senator will have ample notice of the taking up of sections that are passed over as being objected to at present.

The VICE-PRESIDENT. The Secretary will resume the reading of the bill.

The Secretary read as follows:

SEC. 219. [Whoever, with intent to defraud, shall falsely make, forge, counterfeit, engrave, or print, or cause or procure to be falsely made, forged, counterfeited, engraved, or printed, or shall willingly aid or assist in falsely making, forging, counterfeiting, engraving, or printing, any order in imitation of or purporting to be a money order issued by the Post-Office Department, or by any postmaster or agent thereof; or whoever shall forge or counterfeit the signature of any postmaster, assistant postmaster, chief clerk, or clerk, upon or to any money order, or postal note, or blank therefor provided or issued by or under the direction of the Post-Office Department of the United States or of any foreign country and payable in the United States, or any material signature or indorsement thereon, or any material signature to any receipt or certificate of identification thereon; or shall falsely alter, or cause or procure to be falsely altered in any material respect, or knowingly aid or assist in falsely so altering any such money order or postal note; or shall, with intent to defraud, pass, utter, or publish any such forged or altered money order or postal note, knowing any material signature or indorsement thereon to be false, forged, or counterfeited or any material alteration therein to have been falsely made; or shall issue any money order or postal note without having previously received or paid the full amount of money payable therefor, with the purpose of fraudulently obtaining or receiving, or fraudulently enabling any other person, either directly or indirectly, to obtain or receive from the United States or any officer, employee, or agent thereof any sum of money whatever; or shall, with intent to defraud the United States, or any person, transmit or present to or cause or procure to be transmitted or presented to any officer or employee or at any office of the Government of the United States any money order or postal note, knowing the same to contain any forged or counterfeited signature to the same, or to any material indorsement, receipt, or certificate thereon or material alteration therein unlawfully made, or to have been unlawfully issued without previous payment of the amount required to be

paid upon such issue, shall be fined not more than \$5,000 or imprisoned not more than five years, or both.]

Mr. HEYBURN. Mr. President, this section is made up from two existing enactments of law of kindred character, but the provisions of which overlap the one upon the other. The two existing sections have two penalties prescribed. The section as reported contains all of the provisions of section 5463 of the Revised Statutes, and also of the act of January 3, 1887. It does not change existing law. The penalties of the two sections are carried into the one.

The Secretary resumed the reading of the bill, as follows:

SEC. 220. [Whoever shall forge or counterfeit any postage stamp, or any stamp printed upon any stamped envelope, or postal card, or any die, plate, or engraving therefor; or shall make or print, or knowingly use or sell, or have in possession with intent to use or sell, any such forged or counterfeited postage stamp, stamped envelope, postal card, die, plate, or engraving; or shall make, or knowingly use or sell, or have in possession, with intent to use or sell, any paper bearing the watermark of any stamped envelope, or postal card, or any fraudulent imitation thereof; or shall make or print, or authorize or procure to be made or printed, any postage stamp, stamped envelope, or postal card, of the kind authorized and provided by the Post-Office Department, without the special authority and direction of said Department; or shall, after such postage stamp, stamped envelope, or postal card has been printed, with intent to defraud, deliver the same to any person not authorized by an instrument in writing, duly executed under the hand of the Postmaster-General and the seal of the Post-Office Department, to receive it, shall be fined not more than \$500, or imprisoned not more than five years, or both.]

Mr. HALE. The section which has just been read is a very embracing section, with reference to postage stamps and imitating them and dealing in such imitations. I wish the Senator would state upon this very important provision in what way the enactment reported in the bill changes the present conditions, so far as covering the subject-matter and the penalties.

Mr. HEYBURN. Mr. President, the penalty is the same as is provided in existing law, except that the minimum punishments are omitted, in pursuance of the universal rule that applies to the entire bill. The changes in the language in no way affect the substance of the enactment. The change in the form of expression is merely in the interest of a better construction of the sentences. The statute was not constructed according to the recognized rules of grammatical construction. No material change is made in the existing law. It really should not have been in brackets, except for the fact that there had been a transposition of language in the interest of better construction.

The Secretary continued the reading of the bill, as follows:

SEC. 221. Whoever shall forge, or counterfeit, or knowingly utter or use any forged or counterfeited postage stamp of any foreign government, shall be fined not more than \$500 or imprisoned not more than five years, or both.

SEC. 222. [Matter of the second, third, or fourth class containing any writing or printing in addition to the original matter, other than as authorized by law, shall not be admitted to the mails, nor delivered, except upon payment of postage for matter of the first class, deducting therefrom any amount which may have been prepaid by stamps affixed, unless by direction of the Postmaster-General such postage shall be remitted. Whoever shall knowingly conceal or inclose any matter of a higher class in that of a lower class, and deposit or cause the same to be deposited for conveyance by mail, at a less rate than would be charged for such higher class matter, shall be fined not more than \$100.]

Mr. HEYBURN. Section 222 is a composite of two existing provisions of law, and there is no change made in the substance of existing law.

The Secretary read as follows:

SEC. 223. Whoever, being a postmaster, shall affix his signature to the approval of any bond of a bidder, or to the certificate of sufficiency of sureties in any contract, before the said bond or contract is signed by the bidder or contractor and his sureties, or shall knowingly, or without the exercise of due diligence, approve any bond of a bidder with insufficient sureties, or shall knowingly make any false or fraudulent certificate, shall be forthwith dismissed from office and be thereafter disqualified from holding the office of postmaster; and shall also be fined not more than \$5,000 or imprisoned not more than one year, or both.

Mr. HEYBURN. That section should have been printed in brackets. It is a composite of two provisions of existing law, but it in nowise changes existing law.

The Secretary read the next section, as follows:

SEC. 224. Whoever shall submit or cause to be submitted to any postmaster, or to the Post-Office Department or any officer of the postal service, any false evidence relative to any publication for the purpose of securing the admission thereof at the second-class rate, for transportation in the mails, shall be fined not more than \$500.

Mr. McLAURIN. I suggest to the Senator that in the first line of the section, after the word "shall" and before the word "submit," it would be better to insert the word "knowingly." A person might submit false evidence supposing that it was truthful evidence. If he knowingly submitted it then he should be subjected to the penalty. Otherwise I think we had better not subject a man to the penalty who submits the evidence supposing it to be truthful evidence, when, in fact, it may be false evidence.

Mr. HEYBURN. I call attention to the fact that section 224

is existing law. The word "knowingly" is not in the existing law.

Mr. McLAURIN. I know that.

Mr. HEYBURN. It would necessarily come in the shape of an amendment to existing law. The Senator will find on the opposite page in the third line—

Mr. McLAURIN. I see that; but I think it ought to be amended so as to put in the word "knowingly." Hardly a court would construe a party to be guilty if he were not "knowingly" to submit, or cause to be submitted, the false evidence, but the statute by its language would make him guilty if he were to submit evidence which was false, even though he at the time believed the evidence to be true.

Mr. HEYBURN. That is the existing law. The proposition of amending existing law has been a question rather of policy in considering the bill. It is entirely within the power and province of the Senate to propose amendments to existing law.

Mr. HALE. Undoubtedly.

Mr. HEYBURN. And if it is the judgment of the Senate that the existing law should be amended in this particular, of course it may be done upon motion.

Mr. McLAURIN. If the Senator will accept the amendment, I will move it. I do not want to get into any discussion about it, but I move to amend by inserting the word "knowingly" between the words "shall" and "submit," in the first line of the section. I think that is a good amendment.

The VICE-PRESIDENT. The Senator from Mississippi proposes an amendment, which will be read.

The SECRETARY. On page 120, line 23, after the word "shall," insert the word "knowingly," so as to make the section read:

Whoever shall knowingly submit or cause to be submitted to any postmaster or to the Post-Office Department or any officer of the postal service, any false evidence relative to any publication for the purpose of securing the admission thereof at the second-class rate, for transportation in the mails, shall be *fin*ed not more than \$500.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Mississippi.

The amendment was agreed to.

Mr. HEYBURN. Section 225 is in italics, and it may be passed over as belonging to the new sections.

Mr. CULBERSON. Has it been read?

Mr. HEYBURN. It has not been read.

The VICE-PRESIDENT. It has not been read.

Mr. CULBERSON. Let it be read.

The VICE-PRESIDENT. The Secretary will read the section.

The Secretary read the section, as follows:

SEC. 225. *Whoever shall make, allege, or present, or cause to be made, alleged, or presented, or assist, aid, or abet in making, alleging, or presenting any claim or application for indemnity for the loss of any registered letter, parcel, package, or other article or matter, or the contents thereof, knowing such claim or application to be false, fictitious, or fraudulent; or whoever for the purpose of obtaining or aiding to obtain the payment or approval of any such claim or application, shall make or use, or cause to be made or used, any false statement, certificate, affidavit, or deposition; or whoever shall knowingly and willfully misrepresent, misstate, or conceal any material fact or circumstance in respect of any such claim or application for indemnity, shall be fined not more than \$500 or imprisoned not more than one year, or both.*

The Secretary proceeded to read section 226, and was interrupted by

Mr. CLAY. Will the Senator tell us what he means there? I do not thoroughly understand that section. I have read it through two or three times. It changes the present law considerably. It says:

Any money or property coming into his hands or under his control in any manner whatever, in the execution or under color of his office, employment, or service, whether the same shall be the money or property of the United States or not;

That is the feature of it which I do not exactly understand.

Mr. HEYBURN. I will explain the purpose of the committee in proposing the section, but I would suggest that the Secretary finish the reading of the entire section and I will then make an explanation as to the whole of it.

Mr. CLAY. I have no objection to that course.

The VICE-PRESIDENT. The Secretary will resume the reading.

The Secretary resumed and concluded the reading of the section, which is as follows:

SEC. 226. [Whoever, being a postmaster or other person employed in or connected with any branch of the postal service, shall loan, use, pledge, hypothecate, or convert to his own use, or shall deposit in any bank, or exchange for other funds or property, except as authorized by law, any money or property coming into his hands or under his control in any manner whatever, in the execution or under color of his office, employment, or service, whether the same shall be the money or property of the United States or not; or shall fail or refuse to remit to or deposit in the Treasury of the United States or in a designated depository, or to account for or turn over to the proper officer or agent, any such money or property, when required so to do by law or the regulations of the Post-Office Department, or upon demand or order of the Postmaster-General, either directly or through a duly authorized officer

or agent, shall be deemed guilty of embezzlement; and every such person, as well as every other person advising or knowingly participating therein, shall be fined in a sum equal to the amount or value of the money or property embezzled, or imprisoned not more than ten years, or both. Any failure to produce or to pay over any such money or property, when required so to do as above provided, shall be taken to be prima facie evidence of such embezzlement; and upon the trial of any indictment against any person for such embezzlement, it shall be prima facie evidence of a balance against him to produce a transcript from the account books of the Auditor for the Post-Office Department. But nothing herein shall be construed to prohibit any postmaster depositing, under the direction of the Postmaster-General, in a national bank designated by the Secretary of the Treasury for that purpose, to his own credit as postmaster, any funds in his charge, nor prevent his negotiating drafts or other evidences of debt through such bank, or through United States disbursing officers, or otherwise, when instructed or required so to do by the Postmaster-General, for the purpose of remitting surplus funds from one post-office to another.]

Mr. HEYBURN. Mr. President, I would call the attention of Senators to the first portion of the section, which is in italics, and which reads as follows:

Except as authorized by law, any money or property coming into his hands or under his control in any manner whatever, in the execution or under color of his office, employment, or service, whether the same shall be the money or property of the United States or not.

Some embarrassment has arisen in the courts in regard to the ownership of the money that was taken by postmasters. For instance, the question has arisen whether it was the property of the sender or the receiver of the letters from which it was taken. In other instances in the case of money taken from dead letters in the dead-letter office, it is a question as to the ownership. The law has made certain provisions in regard to the disposition of that money. In order to avoid the quibbles that continually arise on behalf of parties charged with the taking of money in connection with their office, as to the ownership of the money, we have made it so definite and certain in this statute that a party performing the duties of an officer in the postal Department must truly and honestly account for and pay over the moneys that come into his hands in the performance of any part or character of duty that it may be proper for him to perform.

This enlargement of the provisions of the section is in the interest of the certain administration of justice, where parties are shown to have appropriated money in order that they may not escape upon a quibble as to the ownership of the money, it not being theirs. That, I think, accounts for the first amendment to which our attention has been called by the Senator from Georgia.

The other changes in the statute from existing law are of obvious purpose. They are merely in the interest of molding together the provisions of existing law which are found in sections 4046 and 4053 of the Revised Statutes. This section is a composite of two provisions of existing law enacted at different times.

The Secretary continued the reading of the bill, as follows:

SEC. 227. Whoever, being a person employed in the postal service, shall become interested in any contract for carrying the mail, or act as agent, with or without compensation, for any contractor or person offering to become a contractor in any business before the Department, shall be immediately dismissed from office, and shall be *fin*ed not more than \$5,000 or imprisoned not more than one year, or both.

SEC. 228. Whoever shall make use of any official envelope, label, or indorsement authorized by law, to avoid the payment of postage or registry fee on his private letter, packet, package, or other matter in the mail, shall be *fin*ed not more than \$300.

SEC. 229. Whoever shall place or cause to be placed any matter in the mails during the regular weighing period, for the purpose of increasing the weight of the mail with intent to cause an increase in the compensation of the railroad mail carrier over whose route such mail may pass, shall be *fin*ed not more than \$20,000 or imprisoned not more than five years, or both.

SEC. 230. Every foreign mail shall, while being transported across the territory of the United States under authority of law, be taken and deemed to be a mail of the United States so far as to make any violation thereof, or depredation thereon, or offense in respect thereto, or any part thereof, an offense of the same grade, and punishable in the same manner and to the same extent as though the mail was a mail of the United States; and in any indictment or information for any such offense, the mail, or any part thereof, may be alleged to be, and on the trial of any such indictment or information it shall be deemed and held to be, a mail or part of a mail of the United States.

SEC. 231. Every person employed in the postal service shall be subject to all penalties and forfeitures for the violation of the laws relating to such service, whether he has taken the oath of office or not.

Mr. HEYBURN. Section 232 may be read, as it is not strictly within the class of sections to be passed over.

The Secretary read the section, as follows:

SEC. 232. *The words "postal service," wherever used in this chapter, shall be held and deemed to include the "Post-Office Department."*

Mr. SUTHERLAND. Before we pass from the chapter with reference to offenses against the Post-Office Department, I desire to call the attention of the Senate to the fact that one section of the Revised Statutes has been wholly omitted by the committee. In other words, it is proposed to repeal that section.

Mr. BACON. I will ask the Senator to please repeat what he has just said. There was so much confusion in my neighborhood that I could not hear him, and I desire to hear him.

Mr. SUTHERLAND. I was calling the attention of the Senate to the fact that one section of the Revised Statutes with reference to offenses against the postal laws had been entirely omitted by the committee, designedly omitted, and it is proposed to repeal that section. I think we ought not to pass on the subject without calling the attention of the Senate to it. I believe it is the only case in which the committee has undertaken to repeal any provision of existing law.

Mr. BACON. What section is it?

Mr. SUTHERLAND. That section is 3954 of the Revised Statutes, and reads as follows:

Whoever having presented a bid for the transportation of the mails upon any route which may be advertised to be let, and having received an award of the contract for such service, shall wrongfully refuse or fail to enter into contract with the Postmaster-General in due form to perform the service described in his bid or proposal, or having entered into such contract shall wrongfully refuse or fail to perform such service, shall be fined not more than \$5,000 or imprisoned not more than one year, or both.

Mr. BACON. Where is that found?

Mr. SUTHERLAND. That is not in the bill. I am reading from an old print of the bill which was before the committee. It is not in the present bill because it has been omitted, but the section is 3954 of the Revised Statutes. The section proceeds, as follows:

The failure or refusal of any such person to enter into such contract in due form, or having entered into such contract the failure or refusal to perform such service, shall be prima facie evidence in all actions or prosecutions arising under this section that such failure or refusal was wrongful.

The section in question makes it a criminal offense, punishable by fine or imprisonment, which may extend to a year in the penitentiary, for any person having agreed to do so to fail or refuse to enter into a civil contract; and it also makes it a criminal offense, punishable by fine and imprisonment, for any person having entered into the contract to refuse to carry that contract into effect. It seemed to the committee so obviously not in accordance with proper principles that the committee felt constrained to recommend its repeal. It seems to me an unheard-of proposition to say that any man shall be punished criminally for having violated a civil contract, it makes no difference whether the contract is one entered into with the Government of the United States or with an individual.

Mr. BACON. I will say that, so far as I am concerned, I think the view taken by the committee is eminently proper.

Now, I would inquire of the Senators whether, under the system adopted by them, the simple failure to reenact a statute, or a section of the penal code will operate to repeal it?

Mr. SUTHERLAND. No.

Mr. BACON. Or whether it will not in this bill require a distinct repeal of the section; that there should be affirmative words to that effect?

Mr. SUTHERLAND. I think it would require a specific repeal.

Mr. BACON. I think so, too.

Mr. SUTHERLAND. And of course that has been done.

Mr. BACON. Oh, yes; in another part of the bill.

Mr. SUTHERLAND. The Senator will find in chapter 15, the last chapter of the proposed revision, that we have enumerated various sections, and that this is included in them; but of course it would be lost sight of here in the reading of the bill.

Mr. BACON. That is in another part of the bill which I have not read.

Mr. SUTHERLAND. I know it has been expressly repealed.

Mr. BACON. Yes.

The Secretary resumed the reading of the bill, as follows:

CHAPTER NINE.

OFFENSES AGAINST FOREIGN AND INTERSTATE COMMERCE.

SEC. 233. [Whoever shall knowingly transport, or deliver or cause to be delivered, nitroglycerine, nitrooleum or blasting oil, or nitrated oil, or powder mixed with any such oil, or fiber saturated with any such substance or article, or dynamite or other like explosive, on board any vessel or vehicle whatever employed in conveying passengers by land or water between any place in a foreign country and any place in or subject to the jurisdiction of the United States, or between a point in one State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, and a point in any other State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, shall be fined not more than \$10,000, or imprisoned not more than one year, or both.]

Mr. HEYBURN. Mr. President, section 233 is broadened so as to apply in all places over which the United States exercises jurisdiction, the jurisdiction of the United States having been very much enlarged since the passing of the existing law. It also prohibits the shipment of dynamite or other like explosives in passenger vessels. The imprisonment clause is added to the fine provided by existing law. The use of dynamite and, in fact, its very existence dates since the enactment of existing law, and this change in the law is merely intended to cover its use and conditions arising out of it,

The Secretary resumed the reading of the bill, as follows:

SEC. 234. [Whoever shall knowingly ship, send, or forward any of the articles mentioned in the section last preceding, or shall transport the same by any mode of conveyance upon land or water, between any of the places specified in that section, unless such articles be securely inclosed, deposited, or packed, in conformity with regulations to be prescribed by the Secretary of Commerce and Labor, shall be fined not more than \$5,000 or imprisoned not more than one year, or both.]

Mr. KEAN. Mr. President, I ask to have that section passed over for the present.

The VICE-PRESIDENT. The section will be passed over.

Mr. HEYBURN. Does the Senator suggest that we should pass over the section for the same reason for which we pass over sections in the nature of new legislation?

Mr. KEAN. This is in the nature of new legislation, and I think the Senator from West Virginia will desire to be present when it is considered. I think he wishes to propose an amendment to it.

Mr. HEYBURN. It is existing section 5955 of the Revised Statutes.

Mr. KEAN. It is the one giving the Secretary of the Department of Commerce and Labor power to make rules and regulations.

Mr. HEYBURN. Let it be passed over.

The VICE-PRESIDENT. The section will be passed over.

The Secretary resumed the reading of the bill, as follows:

SEC. 235. [When the death or bodily injury of any person is caused by the explosion of any article named in the two sections last preceding, while the same is being placed upon any vessel or vehicle to be transported in violation thereof, or while the same is being so transported, or while the same is being removed from such vessel or vehicle, the person knowingly placing or aiding or permitting the placing of such articles upon any such vessel or vehicle, to be so transported, shall be imprisoned not more than ten years.]

SEC. 236. [Whoever shall bring or cause to be brought into the United States, or any place subject to the jurisdiction thereof, from any foreign country, for the purpose of disposing of the same, any paper, certificate, or instrument purporting to be or to represent a ticket, chance, share, or interest in or dependent upon the event of a lottery, gift enterprise, or similar scheme, offering prizes dependent in whole or in part upon lot or chance, or any advertisement of, or list of the prizes drawn or awarded by means of, any such lottery, gift enterprise, or similar scheme; or shall therein knowingly deposit or cause to be deposited with any express company or other common carrier for carriage, or shall carry, from one State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, to any other State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, or from any place in or subject to the jurisdiction of the United States through a foreign country to any place in or subject to the jurisdiction thereof, or from any place in or subject to the jurisdiction of the United States to a foreign country, any paper, certificate, or instrument purporting to be or to represent a ticket, chance, share, or interest in or dependent upon, the event of any such lottery, gift enterprise, or similar scheme, or any advertisement of, or list of the prizes drawn or awarded by means of, any such lottery, gift enterprise or similar scheme, or shall knowingly take or receive, or cause to be taken or received, any such paper, certificate, instrument, advertisement, or list so brought, deposited, or transported, shall, for the first offense, be fined not more than \$1,000, or imprisoned not more than two years, or both; and for any subsequent offense shall be imprisoned not more than two years.]

Mr. HEYBURN. Mr. President, this section proposes to amend existing law so as to conform it to the changes made in section 214 of this bill relating to the sending of lottery tickets through the mails. It is believed that the language here used will reach all attempts to bring into the United States or to transport within the United States any lottery or similar ticket. The changes are in the interest of harmony with the section which we have already passed.

Mr. BACON. Mr. President, so far as the section proposes to break up lotteries, I suppose we shall all be in accord in support of it; and it may be that this section does not interfere with any legitimate enterprise. We do know the fact, however, that it is frequently a pretty close question in some of these newspaper enterprises whether or not there is a violation of law, and I am unable myself to determine, upon a casual reading of this section, whether there will be any effect of that kind or not; but I think it is a very common custom on the part of our newspapers or other publications to have enterprises which are not designed to be an infraction of the law, which are very frequently so determined by the Post-Office Department, showing that there is doubt as to what is the exact matter prohibited and what not. It might be well, therefore, to have this section lie over for careful examination. I do not desire it to lie over for the purpose in any manner of opposing the feature of it which relates to lottery enterprises or anything which is kindred to that, but simply for the protection of what may be sometimes innocent enterprises.

Mr. CLAY. I call the attention of my colleague to a section which we have already passed, which prohibits even a guessing contest conducted by any newspaper. If my colleague will pardon me, we have already adopted section 214, which reads:

SEC. 214. No letter, postal card, or circular concerning any lottery, gift enterprise, or similar scheme offering prizes dependent in whole or in part upon lot or chance; and no lottery ticket or part thereof, or

paper, certificate, or instrument purporting to be or to represent a ticket, chance, share, or interest in or dependent upon the event of a lottery, gift enterprise, or similar scheme offering prizes dependent in whole or in part upon lot or chance; and no check, draft, bill, money, postal note, or money order, for the purchase of any ticket or part thereof, or of any share or chance in any such lottery, gift enterprise, or scheme; and no newspaper, circular, pamphlet, or publication of any kind containing any advertisement of any lottery, gift enterprise, or scheme of any kind offering prizes dependent in whole or in part upon lot or chance, or containing any list of the prizes drawn or awarded by means of any such lottery, gift enterprise, or scheme, whether said list contains any part or all of such prizes, shall be deposited in or carried by the mails of the United States, or be delivered by any postmaster or letter carrier.

My colleague will remember that there is a very heavy penalty imposed for the violation of that section.

Mr. BACON. I am quite aware of that fact.

Mr. CLAY. I will say that the old law is proposed to be changed and made more stringent by reason of this provision.

Mr. BACON. That may be; but is the Senator not aware that in each instance it is a prohibition against anything which is dependent upon lottery, or lot, or chance? That is the point that is in my mind. Of course I recognize that as a policy of the Government; and I am not seeking in any manner to contest the propriety of that.

Mr. CLAY. I do not want my colleague to understand me as saying that I agree with the changes that are proposed. I do not. I think the changes are unwise, and that the old law is sufficient.

Mr. BACON. But what I am calling attention to is this language, which seems to me goes beyond the language of the section my colleague has just read, which would condemn some enterprises in which there is no lot or chance. It may be, in my casual reading, that I have made a mistake in that regard, but lines 14, 15, 16, 17, 18, 19, 20, 21, and 22 do not contain the limitation of lot or chance, if I read them correctly, and if I am incorrect, of course I have no suggestion to make in regard to the matter. So far as lot or chance is concerned, I suppose the policy of the law is well defined, but it may be that this language would interfere with some enterprises which have no element of lot or chance. That is the point I am after.

Mr. SUTHERLAND. Is the Senator now referring to section 236 or section 214?

Mr. BACON. Section 236. The lines, the numbers of which I gave, are on the second page of that section. The only interest I have in it is simply to see whether the language is sufficiently clear to limit this penalty to a case where there has been something determined by lot or chance. I suppose it will be recognized that there may be enterprises in which there is no element of lot or chance; for instance, as to one who furnishes the largest number of subscribers to a newspaper or periodical and kindred conditions of that kind. There is no lot or chance in that.

If the Senators in charge of the bill, however, have examined the section carefully in reference to that question, of course I am willing to abide by their judgment about it; but the casual reading which I make indicates that enterprises which have no lot or chance in them may be under condemnation of this section. I think that would be a very great hardship.

Mr. SUTHERLAND. The lines of the section to which the Senator calls attention refer back to the first part of the section. The first part of the section applies to any—

instrument purporting to be or to represent a ticket, chance, share, or interest in or dependent upon the event of a lottery, gift enterprise, or similar scheme, offering prizes dependent in whole or in part upon lot or chance, etc.

Mr. BACON. Does the Senator think that that limitation is intended to apply to the entire section?

Mr. SUTHERLAND. I think so.

Mr. BACON. If he does I am content.

Mr. SUTHERLAND. When we come to read the lines to which the Senator refers, the language is "any such lottery, gift enterprise, or similar scheme," the word "such" referring back to the gift, lottery, or scheme which is described in the foregoing part of the section, meaning a lottery dependent upon chance.

Mr. BACON. I have no doubt the Senator is correct in that matter, but, reading it casually, I feared the proper limitation was not put in.

Mr. HEYBURN. The limitation is in.

Mr. BACON. Then I am content if the Senator is satisfied as to that.

Mr. HEYBURN. I am.

The Secretary resumed the reading of the bill, as follows:

Sec. 237. [The importation into the United States, or any Territory or District thereof, of the mongoose, the so-called "flying foxes" or fruit bats, the English sparrow, the starling, and such other birds and animals as the Secretary of Agriculture may from time to time declare to be injurious to the interests of agriculture or horticulture, is hereby prohibited; and all such birds and animals shall, upon arrival at any port of the United States, be destroyed or returned at the expense of

the owner. No person shall import into the United States, or into any Territory or District thereof, any foreign wild animal or bird, except under special permit from the Secretary of Agriculture: *Provided*, That nothing in this section shall restrict the importation of natural history specimens for museums or scientific collections, or of certain cage birds, such as domesticated canaries, parrots, or such other birds as the Secretary of Agriculture may designate. The Secretary of the Treasury is hereby authorized to make regulations for carrying into effect the provisions of this section.]

Mr. BACON. There is no change, I presume, in that section except such as is indicated in italics?

Mr. HEYBURN. No material change.

The Secretary read as follows:

Sec. 238. [It shall be unlawful for any person to deliver to any common carrier for transportation, or for any common carrier to transport from any State, Territory, or District of the United States, to any other State, Territory, or District thereof, any foreign animals or birds, the importation of which is prohibited, or the dead bodies or parts thereof of any wild animals or birds, where such animals or birds have been killed or shipped in violation of the laws of the State, Territory, or District in which the same were killed, or from which they were shipped: *Provided*, That nothing herein shall prevent the transportation of any dead birds or animals during the season when the same may be lawfully captured, and the export of which is not prohibited by law in the State, Territory, or District in which the same are captured or killed: *Provided further*, That nothing herein shall prevent the importation, transportation, or sale of birds or bird plumage manufactured from the feathers of barnyard fowls.]

Mr. BACON. Is there any penalty attached to that section?

Mr. HEYBURN. Mr. President, the section comes under the same class as section 237, in which the only change was a general transposition of the language, making this provision apply within any Territory or District of the United States, enlarging the limit of jurisdiction to which the provisions of the act were applicable.

Mr. BACON. The question I asked was whether there was any penalty attached to that section.

Mr. HEYBURN. There is in section 240.

Mr. BACON. I see.

Mr. HEYBURN. In that section will be found an accumulation of the penalties for the three preceding sections.

Mr. BACON. Mr. President, I do not intend to offer any amendment, certainly not at this time, in regard to that section; but I do not think it is a proper section to be in the law. I do not believe in surrounding the citizen with a network of penal statutes, so that he can hardly put his hand out in any direction without becoming involved in the meshes of the law. This is, as I understand it, the existing law.

Mr. HEYBURN. Yes.

Mr. BACON. Then, as I understand, it is a law which seeks to give the courts of the United States criminal jurisdiction in case some one in some State, where it is unlawful to kill birds in certain seasons, may shoot a bird and ship it into another State. I can not dispute but that it is a matter which relates to interstate commerce, a matter in which there can be criminal jurisdiction conferred upon the United States courts, but it is too small a matter for the Federal courts to be having criminal jurisdiction of. It is a subject that the States in their more limited range of duties can very readily deal with. While it is not beyond the jurisdiction of the Government, I think it might be well not to seek to enlarge the criminal jurisdiction of the United States courts so as to reach such small matters as this. Though I am not going to offer to strike it out, I should be very glad if the committee would do so. It reminds me of what was once said in this Chamber by a very celebrated lawyer upon the most celebrated impeachment trial in the history of the United States, when he was inveighing against a very large proceeding for the purpose of correcting a very small offense. He said, "Men do not ordinarily rig a trip hammer to crack a walnut." That is about the nature of this statute.

Mr. HEYBURN. Mr. President, this statute was enacted for the purpose of making effective State laws regulating the seasons during which game could be killed and shipped. It was found that the laws of the States were being evaded by the plea as to the right to kill or the right to receive in the absence of any law prohibiting those acts at the place where the courts could obtain jurisdiction of the party. I remember very well the difficulties which arose in our own section of the country, where there is a very strict law against the killing of pheasants and birds of that kind. They were being shipped in in very large quantities—not just a few casual shipments—for distribution in the markets of the States that had a closed season against the sale or the killing or use of that kind of game. The States are absolutely helpless against such an infraction of their laws. It was because of those conditions that the original statute was passed, and, it being the existing law, we carried it forward.

Mr. BACON. Then, Mr. President, how ridiculous and absurd it would seem that a great United States court, with all its vast powers and great machinery, and with its gowned

judges, should sit up and try a boy for shooting a robin out of season and carrying it across the border of a State; because, while it may be, as stated by the Senator from Idaho, that there are cases in which the law relates to large transactions, the Federal court would absolutely have jurisdiction of just such a case as I have suggested.

Mr. HEYBURN. Mr. President, it is unfortunately true that the United States courts are frequently called upon to deal with what seem at first glance to be very trifling matters; but it is pursuant to a rule that is of general application. I have known, however, United States courts to be engaged for weeks in trying trivial offenses that could better have been disposed of before some justice of the peace or local court, but, because of the necessity of the application of a general rule the courts are often engaged in that kind of business for a long time.

The Secretary resumed the reading of the bill, as follows:

Sec. 239. [All packages containing animals, birds, or parts thereof, when shipped as provided in the section last preceding, shall be plainly and clearly marked, so that the name and address of the shipper, and the nature of the contents, may be readily ascertained on inspection of the outside of such packages.]

Sec. 240. For each evasion or violation of any provision of the three sections last preceding, the shipper shall be fined not more than \$200; the consignee knowingly receiving such articles so shipped and transported in violation of said sections shall be fined not more than \$200, and the carrier knowingly carrying or transporting the same in violation of said sections shall be fined not more than \$200.

Sec. 241. [Whoever shall bring or cause to be brought into the United States or any place subject to the jurisdiction thereof, from any foreign country, for the purpose of disposing of the same, or shall therein knowingly deposit or cause to be deposited with any express company or other common carrier, for carriage from one State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, to any other State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, or from any place in or subject to the jurisdiction of the United States through a foreign country to any place in or subject to the jurisdiction thereof, or from any place in or subject to the jurisdiction of the United States to a foreign country, any obscene, lewd, or lascivious book, pamphlet, picture, paper, letter, writing, print, or other matter of indecent character, or any drug, medicine, article or thing designed, adapted, or intended for preventing conception, or producing abortion, or for any indecent or immoral use, or any written or printed card, letter, circular, book, pamphlet, advertisement, or notice of any kind giving information, directly or indirectly, where, how, or of whom, or by what means any of the hereinbefore-mentioned articles, matters, or things may be obtained or made; or whoever shall take from such express company or other common carrier with intent to sell, distribute, or circulate any matter or thing the depositing of which for carriage is herein made unlawful, shall be fined not more than \$5,000 or imprisoned not more than five years, or both.]

Mr. HEYBURN. Mr. President, I would call attention to the fact that the section as read is existing law, except that the jurisdiction is enlarged to conform to existing conditions. It takes in "noncontiguous territory," that being a class of jurisdiction that at the time of existing law was not included.

Mr. KEAN. Does it include the Panama Canal Zone?

Mr. HEYBURN. That is included in the expression "noncontiguous territory."

Mr. BACON. The Senator refers to that part of the world subject to the jurisdiction of the United States, which is sometimes called "the United States improper," instead of "the United States proper." [Laughter.]

Mr. HEYBURN. That is a very entertaining suggestion. I now ask unanimous consent that the unfinished business may be temporarily laid aside.

The VICE-PRESIDENT. The Senator from Idaho asks unanimous consent that the unfinished business be temporarily laid aside. In the absence of objection, it is so ordered.

EXECUTIVE SESSION.

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

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After seven minutes spent in executive session the doors were reopened, and (at 4 o'clock and 15 minutes p. m.) the Senate adjourned until Monday, January 27, 1908, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate January 23, 1908.

INDIAN AGENT.

John R. Howard, of Sauk Center, Minn., to be agent for the Indians of the White Earth Agency, in Minnesota, now in charge of a school superintendent.

PROMOTIONS IN THE ARMY. Coast Artillery Corps.

Lieut. Col. John R. Williams, Coast Artillery Corps, to be colonel from January 20, 1908, vice Crawford, appointed brigadier-general.

Maj. William C. Rafferty, Coast Artillery Corps, to be lieutenant-colonel from January 20, 1908, vice Williams, promoted.

Capt. Henry D. Todd, jr., Coast Artillery Corps, to be major from January 20, 1908, vice Rafferty, promoted.

Capt. Thomas W. Winston, Coast Artillery Corps, to be major from January 21, 1908, vice Hains, detailed as paymaster.

First Lieut. Richard C. Marshall, jr., Coast Artillery Corps, to be captain from January 20, 1908, vice Todd, promoted.

First Lieut. John O. Steger, Coast Artillery Corps, to be captain from January 21, 1908, vice Winston, promoted.

POSTMASTERS.

NEW YORK.

Henry B. Flach to be postmaster at Attica, Wyoming County, N. Y., in place of Carlton D. Wing. Incumbent's commission expired January 7, 1907.

William Frank Lewis to be postmaster at Arcade, Wyoming County, N. Y., in place of Clark E. Churchill. Incumbent's commission expired January 22, 1907.

Jonathan B. Morey to be postmaster at Dansville, Livingston County, N. Y., in place of Frank J. McNeil. Incumbent's commission expired January 22, 1907.

George M. Nellist to be postmaster at Barker, Niagara County, N. Y. Office became Presidential January 1, 1907.

Robert Nathaniel Roberts to be postmaster at Lockport, Niagara County, N. Y., in place of Charles W. Hatch. Incumbent's commission expired January 22, 1907.

CONFIRMATIONS.

Executive nominations confirmed by the Senate January 23, 1908.

PROMOTIONS IN THE NAVY.

Commander John R. Edwards to be a captain in the Navy from the 3d day of January, 1908.

Mates Frank Holler and Robert Robinson, on the retired list of the Navy, to be mates on the retired list, with the rank and retired pay of the next higher grade—namely, the lowest grade of warrant officers—from the 29th day of June, 1906.

POSTMASTERS.

CALIFORNIA.

Charles H. Dobbelt to be postmaster at Palo Alto, Santa Clara County, Cal.

Percy B. Fulton to be postmaster at Dinuba, Tulare County, Cal.

Herman R. Stephens to be postmaster at Exeter, Tulare County, Cal.

Thomas B. Wilson to be postmaster at Cloverdale, Sonoma County, Cal.

COLORADO.

Michael J. Guerin to be postmaster at Salida, Chaffee County, Colo.

Thomas J. Stanley to be postmaster at Manzanola, Otero County, Colo.

FLORIDA.

Christian L. Dohn to be postmaster at New Smyrna, Volusia County, Fla.

John B. White to be postmaster at Mulberry, Polk County, Fla.

ILLINOIS.

August J. Beger to be postmaster at Nauvoo, Hancock County, Ill.

Thomas D. Shipton to be postmaster at Hanover, Jo Daviess County, Ill.

Rollin H. Woods to be postmaster at Rock Falls, Whiteside County, Ill.

KANSAS.

Frank W. Carroll to be postmaster at Toronto, Woodson County, Kans.

MICHIGAN.

George Burkhart to be postmaster at Saline, Washtenaw County, Mich.

Elmer Pryce to be postmaster at Tustin, Osceola County, Mich.

Samuel L. Willits to be postmaster at Remus, Mecosta County, Mich.

MINNESOTA.

John H. Carlaw to be postmaster at Balaton, Lyon County, Minn.

Charles H. Latterell to be postmaster at Foley, Benton County, Minn.

Burton J. Robertson to be postmaster at Lyle, Mower County, Minn.

Ole B. Tone to be postmaster at Spring Grove, Houston County, Minn.

NORTH DAKOTA.

Elmer H. Myhra to be postmaster at Wahpeton, Richland County, N. Dak.

WASHINGTON.

Frederick B. Sturgis to be postmaster at Raymond, Pacific County, Wash.

HOUSE OF REPRESENTATIVES.

THURSDAY, January 23, 1908.

The House met at 12 o'clock m.

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

The Journal of the proceedings of yesterday was read and approved.

BONDING TUCSON, ARIZ., FOR REPAIR OF WATER AND SEWER SYSTEM.

Mr. SMITH of Arizona. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 14638) to enable the city of Tucson, Ariz., to issue bonds for the extension and repair of its water and sewer system, and for other purposes, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That the city of Tucson, Pima County, Ariz., pursuant to an election held for that purpose on the 14th day of March, 1907, in said city, is hereby authorized, through its mayor and board of common councilmen, to issue bonds of said city to the amount \$300,000, the said bonds to be payable thirty years from the date of their issue and sale and to bear interest at the rate of not more than 4½ per cent per annum, payable semiannually. Of the proceeds of the bonds so issued the sum of \$260,000 shall be applied to the extension and repair of the water and sewer system of said city, the sum of \$25,000 to the equipment and improvement of the fire department; the balance of \$15,000 shall be applied to the erection of a city hall for the use of said city. Said bonds, when issued, shall bear the date of their issue and the date of maturity and the rate per cent of interest, not exceeding 4½ per cent per annum. Each of said bonds shall have sixty annual interest coupons attached to and printed with the bonds, and each coupon shall bear on its face the amount of interest due for six months on the bond and each shall bear a number corresponding with the number of the bond to which it is attached. The interest on said bonds shall be paid semiannually, and as the interest is paid the coupon representing the same shall be detached from the bond and, after being marked paid, shall be filed by the treasurer of said city and preserved as vouchers. Said bonds shall be issued under the seal of said city of Tucson, if it have a seal, and shall be signed by the mayor of said city and attested by the signature of the clerk of the common council.

Sec. 2. That the mayor and common council of said city, after the sale of said bonds, and in addition to all other city taxes, shall cause to be levied, assessed, and collected as other city taxes are levied, assessed, and collected each year a sum reasonably sufficient to meet the interest on said bonds and provide a sinking fund to meet the payment of said bonds at their maturity.

The SPEAKER. Is there objection?

Mr. PAYNE. Mr. Speaker, reserving the right to object, I would like to ask the gentleman a question. Has this city any other bonds outstanding now?

Mr. SMITH of Arizona. Unquestionably. The city of Tucson in 1900 had 7,000 people. To-day it is a city of 22,000. Our water system can not nearly provide for that city. It is a question of absolute necessity for the protection from fire. We pay every dollar of it ourselves; there is no charge on the Public Treasury. A vote was had by the taxpayers of the city as to whether or not these bonds should be placed on the city, which is eminently able to take care of them, and that vote carried by 15 to 1 in favor of bonding the city.

Mr. PAYNE. The gentleman did not seem to understand my question. Has this city any other bonds outstanding?

Mr. SMITH of Arizona. I did not think it would be necessary to answer that question if I told the other facts. It has other bonds outstanding—\$137,000 worth.

Mr. PAYNE. That was the question I wanted answered.

Mr. SMITH of Arizona. I wanted to show that, notwithstanding what debts she might owe, this was a necessity.

Mr. PAYNE. I have no objection.

The SPEAKER. The Chair hears no objection. 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. CLARK of Missouri, a motion to reconsider the last vote was laid on the table.

URGENT DEFICIENCY APPROPRIATION BILL.

Mr. TAWNEY. 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. 14766) making appropriations to supply urgent deficiencies in the appropriations for the fiscal year ending June 30, 1908, and for prior years, and for other purposes. Pending that motion, Mr. Speaker, I desire to ask the gentleman from Georgia [Mr. LIVINGSTON], the minority ranking member of the committee, as to how much time he desires for general debate.

Mr. LIVINGSTON. I suggest that general debate should run the balance of this day, and before we adjourn to-night I will see if I can not come to some definite conclusion with the chairman of the committee.

Mr. TAWNEY. I will say, Mr. Speaker, that that arrangement is entirely satisfactory to me, so that the Members may understand that general debate will continue throughout the day.

Mr. FITZGERALD. Mr. Chairman, I suggest that the gen-

tleman from Minnesota asks that the time be controlled by himself and the gentleman from Georgia.

Mr. TAWNEY. Yes, I make that request, Mr. Speaker.

The SPEAKER. The gentleman from Minnesota asks unanimous consent that the time be controlled by himself and by the gentleman from Georgia [Mr. LIVINGSTON]. Is there objection?

There was no objection.

Mr. MANN. Is it the understanding that the bill will not be read to-day under the five-minute rule?

Mr. TAWNEY. Yes; that is the understanding.

Mr. MANN. In any event?

Mr. TAWNEY. In any event.

The SPEAKER. The question is on the motion of the gentleman from Minnesota that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the urgent deficiency bill.

The question was taken, and the motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the urgent deficiency bill, with Mr. LAWRENCE in the chair.

Mr. TAWNEY. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection, and it was so ordered.

Mr. TAWNEY. Mr. Chairman, I feel that it is my duty, in presenting this first appropriation bill of the session, to call attention to the necessity for a practical revision of the estimated ordinary expenditures of the Government for which appropriations are asked for the next fiscal year, to the end that these authorized expenditures may be kept within the estimated revenues for that year. I do this not to excite alarm or to create any apprehension regarding the ability of the Government to meet all of its obligations and legitimate expenditures. I do it from a sense of duty to the House, for unless these estimated ordinary expenditures as submitted to us are revised and materially reduced by the committees having jurisdiction of the several appropriation bills we can not avoid authorizing expenditures for the next fiscal year far in excess of the estimated revenue, which excess expenditures will have to be met either from the surplus in the Treasury or from the proceeds of the sale of Government securities.

However much we may strive to keep these authorized expenditures within the probable revenues for the next fiscal year, we will not, and we can not, succeed unless we appropriate far less than the amounts estimated for by the several Executive Departments and refuse the authorization of much, if not all, proposed new services and all proposed new governmental obligations or extraordinary charges upon the revenues for the fiscal year 1909.

I know, Mr. Chairman, that this statement will not be received with applause either here or elsewhere where there is a desire for additional Federal expenditures. I know those who are interested in having the Federal Government assume the exercise of rights and duties belonging to the States or to private individuals or corporations and bear the expense thereof will endeavor to minimize the importance of my statement by appealing to the magnitude and wealth of our country, and be calling attention to my well-known desire to keep Federal expenditures within estimated revenues, and also within the constitutional functions of the Federal Government. But, whatever may be said, this Congress, if it desires to close its first session without facing a certain deficit, is confronted with the herculean task of closing the gap between estimated ordinary governmental expenditures and estimated revenues for the next fiscal year of not less than \$100,000,000.

Now, Mr. Chairman, the analysis of the estimates which I have made shows that the total estimate for the fiscal year 1909 aggregate in round numbers \$997,000,000. The last annual report of the Secretary of the Treasury gives us his estimate of the revenues for the next fiscal year and places that estimate at \$878,123,011.30. It is only fair to say that this estimate was made before the recent financial depression, and in submitting the estimate in his annual report the Secretary says:

It is estimated that upon the basis of existing laws the revenue of the Government for the fiscal year 1909 will be \$878,123,011.30.

The Secretary also says:

The above estimates are submitted in pursuance of law. I regret the necessity of submitting them, for they are, for the most part, problematical.

But in closing his detailed statement he adds this:

Total estimated appropriations \$912,949,288.96, showing an excess of the total estimate of appropriations submitted by the several Departments over the estimated revenues of the Government for the fiscal year 1909 of \$34,826,277.66.

So that on the face of the estimates as they have been submitted to Congress in the Book of Annual Estimates we have an apparent deficit of \$118,826,277.66.

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

Mr. TAWNEY. Yes, sir.

Mr. MANN. I do not wish to embarrass the gentleman's argument—

Mr. TAWNEY. It is no embarrassment to me at all.

Mr. MANN. But do these estimates include the estimates for the Isthmian Canal Commission, which are to be paid out of bonds and not out of current income?

Mr. TAWNEY. They do. These estimates include not only the estimated expenditures of the Canal Commission for the fiscal year 1909, aggregating almost \$33,000,000, but they also include an item of \$25,000,000 for the redemption of national-bank notes, which redemption will be made out of the statutory national-bank redemption fund, but notwithstanding the reduction on account of these facts regarding Panama expenditures and the redemption fund, the estimated appropriations referred to do not include the supplemental estimates we will receive during this session. The amount of these supplemental estimates we can not now estimate, but during the last session of Congress there were submitted, in addition to the regular annual estimates, supplemental estimates aggregating \$31,500,000. Now, the estimated revenues for the fiscal year 1909 are in excess of the annual revenues for the fiscal year 1907, \$31,395,672. I think it is fair to say that there is no one at all acquainted with the history of financial depressions and the revenues of the Government during such times but knows that our estimated revenue, estimated on the basis of last year when the revenues were larger than ever before in the history of the Government, is in excess, or that the actual revenues will be less than they were last year. But assuming that the revenues of the Government during the fiscal year 1909 will equal the actual revenues for the fiscal year 1907, the estimated revenues are \$31,000,000 in excess of what they will actually be. The actual revenue for the fiscal year 1907 was \$846,725,339, and the estimated revenue, as I have before stated, is \$876,123,011. So that if we deduct \$25,000,000, which is included in the estimated expenditures for the redemption of national-bank notes, and assuming that the supplemental estimates during this session of Congress will equal those of last session, and deducting \$31,000,000 from the estimated revenues, it shows a deficit on the face of the estimate of at least \$150,000,000.

Appropriations for the current year, for fortifications, Military Academy, Navy, and pension bills aggregate \$332,563,804. It may be of interest, in view of the apparent deficit upon the face of the estimate, to know wherein the revision of the present estimate should be made principally and where reductions can be made without detriment to the public service, and for that reason I state what the current appropriations are for fortifications, Military Academy, and Navy and pension bills.

Mr. FITZGERALD. I wish to ask at this point if the gentleman is going to consider the deficiencies for the service in the different Departments?

Mr. TAWNEY. I have not in the estimate considered the deficiencies as yet. The estimates for the same purpose—that is, the estimates for fortifications, Military Academy, Navy, and pension bills—for the fiscal year 1909 aggregate \$406,011,216. The average expenditure estimated for the next fiscal year on account of the Army and the Navy is more than \$1,000,000 every day, and an excess over the current appropriations for that service of \$73,447,412.11.

Mr. MANN. What is that?

Mr. TAWNEY. That is, the excess estimated for the Army and Navy for next year over current appropriations for that service; this excess is \$73,447,412.11.

Mr. MANN. That is, the excess estimate for next year over the appropriation—

Mr. TAWNEY. For this year. About \$75,000,000.

Mr. PRINCE. Will the gentleman yield?

Mr. TAWNEY. Certainly.

Mr. PRINCE. Can the gentleman segregate those items and tell us whether it is the Army or the Navy?

Mr. TAWNEY. It is about equal in both, when the increase for fortifications is included. I can give the exact amount later on. This stupendous sum, Mr. Chairman, of \$406,011,216 is asked for simply for the military side of the Government, and is larger than appropriations for the entire expenses of the Government for any fiscal year since the civil war down to 1890, and not appreciably less than appropriations for any fiscal year prior to 1897, or the Spanish-American war. The amount asked for, exclusive of expenses for the War and Navy

Departments, which is the amount, I should say, I have just referred to, is asked for, exclusive of expenses incident to the War and the Navy Departments here in the city of Washington, all of which, if added, would increase the amount on account of the military arm of our service \$21,000,000, bringing the sum total asked for on account of war and navy expenditures for the next fiscal year to \$427,000,000, or considerably more than 50 per cent of the estimated revenues for the next fiscal year, and more than 60 per cent of what I believe the actual revenues of the Government will ultimately prove to be. Now, Mr. Chairman, in view of these facts appearing upon the face of the estimate, and I have endeavored to be conservative in my statement, we are confronted with a probable deficit of about \$100,000,000, and this, too, after deducting from the estimated canal expenditures about \$30,000,000.

Now, I wish to say, further, that this is entirely exclusive of all new authorizations which this Congress will make, no doubt, as previous Congresses have done. It is entirely exclusive of the four \$10,000,000 battle ships that have been recommended. It is also exclusive of the proposed enlargement of the military posts and many other projects for which appropriations are asked throughout the country. All of the projects that are now proposed and pending before this Congress are in excess of the estimated revenues to which I have referred.

So that, Mr. Chairman, all new authorizations only emphasize what I said at the beginning, that it is absolutely necessary for us to practically revise the estimates in making up the several appropriation bills if we are to avoid facing a certain deficit at the end of the first session of this Congress.

Mr. Chairman, with reference to the urgent deficiency bill reported and now under consideration. However, before I get into that, if any gentleman cares to ask me any question in relation to the estimates I would be pleased to answer it now.

Mr. BOUTELL. Before you pass to the consideration of the bill, I would like to ask the chairman in charge of the bill whether his estimate of expenditures includes the total amount of the sinking fund item.

Mr. TAWNEY. It does.

Mr. BOUTELL. Ought not that to be deducted from your expenditures; because we have never complied with it?

Mr. TAWNEY. Oh, yes; we are complying with it. It is a statutory obligation, and the application of \$58,000,000 to the sinking fund, or any part of it, is within the discretion of the Secretary of the Treasury.

Mr. BOUTELL. Absolutely?

Mr. TAWNEY. Yes; absolutely. It is not mandatory upon him to do it; but it is there for the purpose of reducing the bonded indebtedness of the United States.

Mr. BOUTELL. Would that be a desirable consummation at the present time? Would it not be wiser for the sinking fund to be carried on as it has been for the last few years?

Mr. CLARK of Missouri. Mr. Chairman, it is absolutely impossible to hear what the gentleman from Illinois says. We can hear the gentleman from Minnesota.

The CHAIRMAN. The committee will be in order.

Mr. TAWNEY. The sinking fund item is a statutory obligation; to discharge the obligation, however, in whole or only in part, or not all, rests in the discretion of the Secretary of the Treasury. Nevertheless, it is always included in the estimates of public expenditures, and is appropriated for. It is a permanent appropriation. So that I do not think that we are justified at this time in deducting the \$58,000,000 from the estimates of expenditures, for the reasons that I have given. But estimating that no part of the sinking fund will be paid, we will still have, upon the face of the estimates, without any new authorizations, without any new obligations, without appropriating a dollar independent of the estimates, a deficit of at least \$50,000,000; and when you have deducted the items for the Panama Canal estimates, that can be met from the proceeds of the sale of bonds, and when you have deducted \$25,000,000 included in the estimate for the redemption of bank notes, and after making all these reductions, and not applying a dollar of the sinking fund, we would still have a deficit of about \$50,000,000, and that, too, independent of any new authorizations at this session of Congress.

Mr. HUGHES of New Jersey. I would like to ask the gentleman how his statement compares with the condition of affairs he gave at this time a year ago when the urgent deficiency bill came in?

Mr. TAWNEY. In regard to the revenue, this time a year ago we had a surplus of \$28,000,000, and to-day we have a deficit of about \$13,500,000, showing there will be a material, a substantial decrease in the revenues for the fiscal year 1909; and when I make this comparison on the basis of the estimates of next year equaling the actual revenues of the last fiscal year,

I am certainly within the bounds of fairness, and not only within the bounds of fairness in making that comparison, but I think I am ultraconservative in regard to it.

Mr. CLARK of Missouri. I would like to ask the gentleman if this calculation which he has made embraces any appropriation whatever for rivers and harbors and public buildings?

Mr. TAWNEY. Only those that are authorized. I refer to no new authorizations. I will say one thing more. In this estimate, however, should also be included deficiencies and miscellaneous and additional appropriations that will have to be provided for at the next session of Congress and paid out of the revenues of the Government for the next fiscal year. I have not included these, because we can only approximate them by comparison with previous Congresses; but they have in the last four years averaged not less than \$25,000,000.

Mr. MANN. I understand these figures are for the fiscal year ending June 30, 1909, and the gentleman makes out a deficit according to the estimate of probable receipts. Now, the gentleman knows that next year is a Presidential year.

Several MEMBERS. This year.

Mr. MANN. I mean the next fiscal year. The gentleman knows that we are promised on that side of the House that if they are successful there will be a revision of the tariff. We are promised on this side of the House, or possibly not on this side, but in other places, that if we are successful there will be a revision of the tariff. Is it not always the case that immediately preceding a revision of the tariff there is a great decline in the customs receipts of the Government?

Mr. TAWNEY. It is not only a fact that there is a decline in the revenue immediately preceding a revision of the tariff, but it is also equally true that there is a decrease in the revenues when there is a declaration in favor of a revision of the tariff, and the power has been once given to the party that makes that declaration to revise the tariff. That is true, for the reason that importers, in anticipation of reduced duties, import only for the immediate demands of their trade.

Mr. MANN. Is it not also true that the estimates of receipts submitted by the Secretary of the Treasury are based upon former receipts, and do not take into consideration the fact that the tariff probably will be revised, or that declarations at least will be made for its revision, and that the receipts will fall off, so that unless Congress is extremely economical—if our friends on the other side of the aisle prevail—they will come into power with an empty Treasury?

Mr. TAWNEY. I will say to the gentleman from Illinois that the Secretary of the Treasury in estimating the revenues did not take into consideration all that the gentleman from Illinois has said, nor did he take into consideration the effect upon the revenues of the Government resulting from the recent financial depression, for the reason that his estimate was made before the depression began and before the revenues of the Government began to fall off.

Mr. LIVINGSTON. In answer to the proposition of the gentleman from Illinois, is the gentleman from Minnesota or the gentleman from Illinois either ready to guarantee a revision of the tariff provided you prevail in this next election?

Mr. TAWNEY. No; but I believe there will, and I am not ready to guarantee that there will be a revision of the tariff if you prevail.

Mr. FITZGERALD. Eliminating this tariff discussion, has the gentleman from Minnesota made any investigation since the Secretary submitted his estimates that would lead him to believe that following the course of events in the past, that following a financial depression, the revenues will be greatly less than they would have been had that depression not taken place?

Mr. TAWNEY. I would say in answer to the gentleman that I have made some investigation with reference to the postal revenues immediately preceding and following the panic of 1873, and also immediately preceding and following the panic of 1893.

In the estimate of revenue for the next fiscal year, made by the Secretary of the Treasury, he estimates the postal receipts at \$220,000,000, which is an increase of about \$15,000,000 over the actual postal receipts for the last fiscal year. Now, I find, upon examining the statistics in the Post-Office Department as to the revenue preceding and following those two panics to which I have referred, that between the fiscal year 1874 and 1875 there was an increase in the postal revenues of only \$300,000, and that between the fiscal year 1894 and 1895 there was practically no increase in the postal revenues. Now, in view of the history of postal revenues immediately preceding and following these two panics, I doubt whether we can possibly hope for such an increase in the postal revenues during the next fiscal year as has been estimated for.

Mr. GAINES of Tennessee. Will the gentleman tell the committee how much revenue would be lost by putting wood pulp on the free list now, as recommended by the President?

Mr. TAWNEY. I can not answer that.

Mr. GAINES of Tennessee. How much was lost when you put coal on the free list to crush out the coal trust?

Mr. TAWNEY. I have not investigated that question at all, as to the effect upon the revenues of placing any article upon the free list.

Mr. GAINES of Tennessee. It did not cripple you any when you put coal on the free list.

Mr. TAWNEY. The estimates are made upon the basis of existing conditions, without any reference to changed conditions.

Mr. FITZGERALD. Is it fair to assume from the gentleman's investigation that this increase in the postal revenue will not take place?

Mr. TAWNEY. I think so. In the investigation of the revenues of the Post-Office Department at the times of these preceding panics I do not see anything to justify an estimate of an increase in the postal revenues to the extent that has been estimated.

Mr. FITZGERALD. So that the gentleman's analysis is more favorable by \$15,000,000 than it really should be?

Mr. TAWNEY. I have endeavored to make the analysis as conservative as possible, but I do not care how conservative a man may be in making comparisons, the result will emphasize the fact that if we are going to avoid the largest deficit at the end of the fiscal year of 1909 that the Treasury books ever have shown since the civil war, except when the Democratic party was in control of the executive and legislative branches of the Government, it is absolutely necessary that these estimates be revised and materially reduced. I will now yield to the gentleman from Texas.

Mr. SLAYDEN. Mr. Chairman, I want to ask the gentleman in charge of the bill a question or two with reference to the deficiency in the revenues for the collection of customs. I want some information.

Mr. TAWNEY. If the gentleman from Texas will wait until we begin the consideration of the bill. We have not commenced the consideration of the bill yet. I will yield to the gentleman from Minnesota.

Mr. DAVIS of Minnesota. Leaving out of the question any new authorization by this Congress, I would like to ask the gentleman in charge of the bill what has been the result of the action of the Appropriation Committee upon estimates submitted to previous Congresses. At the beginning of each Congress estimates are submitted, as in this case, by the various Departments as to the probable sums required for the ensuing fiscal year, and the Appropriation Committee usually estimate the receipts of the Government and compare it with the estimates submitted by the various Departments. What is the usual result? Are not these estimates submitted by the various Departments usually scaled down in a considerable amount by the committee in its report to the House for approval? And is not the estimate usually diminished before the appropriation is made?

Mr. TAWNEY. Diminished. I will say for the information of my colleague that at the last session of Congress, upon the estimates submitted, appropriations were made of almost \$21,000,000 less than the estimate submitted, but in addition to that Congress appropriated about \$25,000,000 independent and in excess of any estimate that was made, which was new authorization.

Mr. DAVIS of Minnesota. I am leaving out any new authorization. Is it not the almost uniform policy of the committee and Congress to cut down the estimates submitted by the Departments?

Mr. TAWNEY. It is. It is not only the policy, but the duty of the committee and of Congress.

Mr. DAVIS of Minnesota. And if such is the case, will not that presumably be the case in this Congress?

Mr. TAWNEY. It will, and it will require an unusual reduction in order to close the gap between the estimated expenditures and the estimated revenue; in other words, a much larger reduction than has heretofore been made at any Congress since I have been in this House. Twenty million dollars was the amount we appropriated below the amount estimated last year.

Mr. DAVIS of Minnesota. Does the gentleman think that reductions will amount to or exceed that this year?

Mr. TAWNEY. It will have to exceed it if we are to avoid a certain deficit at the end of this session.

Mr. DAVIS of Minnesota. The gentleman's estimate upon the ultimate deficit is based upon the present estimates, is it not, and not after probable reduction by Congress?

Mr. TAWNEY. It is based upon the estimates as they have been submitted, including all statutory authorizations at the present time, and including also the sinking fund of \$58,000,000.

Mr. DAVIS of Minnesota. In making your estimates as to the probable deficit, you base it exclusively on the estimates now before you?

Mr. TAWNEY. Yes; and with an estimate also of what the supplemental estimates will probably be, using the amount of the last session that was estimated for in supplemental estimates, which was about \$30,000,000.

Mr. DAVIS of Minnesota. Are not the supplemental estimates usually brought into Congress?

Mr. TAWNEY. Yes; always.

Mr. DAVIS of Minnesota. Are the supplemental estimates at the present time less than usual?

Mr. TAWNEY. We have none yet to speak of. Some came in just before the close of the holiday recess. We have but very few supplemental estimates as yet. The supplemental estimates come along toward the last of the session, when the other appropriation bills are being considered.

Mr. DAVIS of Minnesota. The departmental estimates for the year at this time are larger than they have ever been, are they not?

Mr. TAWNEY. They are \$101,000,000 in excess of what they were last year. That is, the general estimates carried in the Book of Estimates are \$101,000,000 in excess of last year.

Mr. HITCHCOCK. The gentleman from New York asks a question of the chairman of the Committee on Appropriations as to whether he had investigated as to the probable falling off in revenues following the panic, judged by past events of that sort, and from him he did not get a definite reply, but got one relating only to the postal revenues. I desire to ask the chairman what has been the falling off in revenues, customs receipts, and the internal revenues for the three months that have elapsed since the panic, and what would be the falling off for the next fiscal year providing the same proportion is maintained?

Mr. TAWNEY. I can only answer the gentleman by saying that during this entire fiscal year the internal revenue, as compared with the same months in the last fiscal year, is about one million and a half less, and I do not know exactly what the customs receipts are, except as shown by the general statement which we all receive every morning, which shows that there is a deficit to-day of almost fourteen millions during this fiscal year, as against a surplus of twenty-eight millions for the same period last year.

Mr. HITCHCOCK. Can the gentleman not state what the deficit in revenue as compared with the corresponding period of last year has been?

Mr. TAWNEY. No; I can not give the gentleman that information. I have been trying to obtain it for this purpose, but I have not succeeded. I hope to get it and publish it with my remarks.

Mr. HITCHCOCK. So that the gentleman can make no estimate for the House as to what the falling off in revenues for the fiscal year 1909 will be, providing the effect of the panic continues?

Mr. TAWNEY. I do not think it has continued long enough as yet to determine with any certainty. I will say for the information of the gentleman that when the Assistant Secretary of the Treasury was before the subcommittee a few days ago, that is, the Assistant Secretary who has control of the collection of the revenues, he informed the committee that although the customs revenues have decreased very materially within the last two months—I think he stated \$11,000,000 for this fiscal year—yet there are in the warehouses of the Government at our ports large quantities of goods, upon which the duties have not been paid, and that when those goods are withdrawn and the duties paid upon them, it will in amount about equal the deficiency in the revenue for this year. The storage of these goods he attributes to the inability of the importer to obtain the money from the banks for the purpose of making the withdrawal. My own opinion, however, is that while that may to some extent be the cause, the principal cause for lack of withdrawal is, I think, the falling off in consumption. If that is true, and this decrease in consumption continues, it will probably affect the revenue during the remainder of this fiscal year and also during the next fiscal year.

Mr. BARTHOLDT. I should like to have an authoritative statement, Mr. Chairman, from the chairman of the committee with regard to the old practice of exceeding the appropriations on the part of the Department. Is there a case in this bill in which the appropriation made last year has been exceeded?

Mr. YOUNG. In violation of the law.

Mr. BARTHOLDT. In violation of the law passed at the last Congress.

Mr. TAWNEY. If the gentleman will forego that for a moment, I will say that I have not yet touched on the bill and I intend to cover that very fully in regard to the antideficiency law.

Mr. BARTHOLDT. Is there a case in the bill at this time?

Mr. TAWNEY. I will say to the gentleman from Missouri, the committee has not allowed a single item of deficiency where that deficiency is not a legal deficiency. In other words, the miscellaneous appropriation, where the Departments estimate there will be a deficiency before the end of this fiscal year, are by the antideficiency law required to be apportioned by monthly or other allotments. There were several cases submitted where the apportionment was waived in these cases, but improperly waived, and the items for that reason were rejected. It does not carry a single item of deficiency where the deficiency is not a legal deficiency.

Mr. BARTHOLDT. In other words, the old practice is effectually broken up.

Mr. TAWNEY. The old practice is effectually broken up. The practice of allowing Departments of this Government to fix the standard of public expenditure was broken up or destroyed when the Congress enacted the antideficiency law on the urgent deficiency appropriation bill at the first session of the last Congress, whereby we specified the appropriations that can not be exceeded, and we also required the apportionment of certain appropriations by monthly or other allotments, and then required that such apportionments, when made, must be adhered to, and can not be waived except upon the happening of some extraordinary emergency or unusual circumstance that could not be reasonably anticipated at the time such apportionment was made. The effect of that has been to serve notice upon the Departments that when Congress makes an appropriation for a given service, that that appropriation is the standard of expenditure in that particular Department, and is fixed by Congress, and that they can not by following the practice that obtained for many years of spending their appropriations on the basis of their estimates make a deficiency, and then near the close of that fiscal year coerce Congress into appropriating for their deficiencies on the ground that if it is not done the public service will have to stop or greatly suffer. They are now living within their appropriations, and the bill now before you called a "deficiency bill" is a misnomer. They are practically all additional appropriations. I have not made a careful analysis, but I do not think there is, out of the \$24,000,000 reported, to exceed \$3,000,000 of actual deficiencies in this bill, and those deficiencies arose by reason of circumstances that could not be reasonably anticipated at the time either of making the appropriation or the apportionment of the appropriation. Gentlemen must remember there are many appropriations which may be exceeded when the statute authorizes the Department to exceed them. I now yield to my colleague from Minnesota.

Mr. DAVIS of Minnesota. I believe that Congress and the people are interested in not having the expenditures exceed the revenues. I am also aware of the fact that the gentleman has been in Congress for a great many years, and perhaps he could, in fact I know he can, enlighten me upon one question. He has been here through at least two revisions of the tariff, and is, perhaps, as familiar as any man on the floor of the House with the provisions of the tariff at the present time. I would like to ask him, as the tariff has been touched upon, whether in his judgment a Republican revision of the tariff in the near future, scaling it down a reasonable amount, a moderate amount, and particularly upon those schedules where the tariff is now prohibitive, would increase or decrease the revenues of the Government?

Mr. TAWNEY. I will say, in reply to my colleague, that in my judgment the greater the facility and ease with which exporters can get foreign-made goods into the United States, the greater in all probability will be the revenue, provided that revision of the tariff is along the lines that he suggests.

Mr. DAVIS of Minnesota. So that a revision downward to a moderate extent would increase revenue rather than diminish it?

Mr. TAWNEY. That depends altogether upon the nature of the revision and the character of the articles the duty on which is revised and the amount of duty fixed. In other words, it depends upon a scientific, sensible adjudication of all questions submitted to the committee that revises the tariff and the Congress that must adopt it. So far as I know, and whatever opinion I might express at this time would be purely speculative, the effect of a moderate reduction of the tariff would be to increase the revenue.

Mr. DAVIS of Minnesota. Such a revision as a Republican Congress, composed of intelligent men, would likely make—that is, a scientific revision.

Mr. TAWNEY. I think a revision by the friends of the tariff would be along the line of providing the Government with sufficient revenue to meet its ordinary expenses.

Mr. MANN. But no revision of the tariff could affect the revenue that the present tariff produces, because it will not become a law during the fiscal year.

Mr. TAWNEY. Not at all.

Mr. MANN. And the effect of revising the tariff might have a tendency to reduce the receipts.

Mr. TAWNEY. That is true.

Mr. FITZGERALD. Does the gentleman believe that side of the House could make such a scientific and intelligent revision of the tariff as to produce sufficient revenue to meet the extraordinary expenditures of this Administration, or, if any other party was in control of this House it could produce sufficient revenue to pay these enormous expenditures?

Mr. TAWNEY. I leave the gentleman to answer that question himself. I know no more about that than any other man who guesses about it.

Mr. FITZGERALD. I will try to answer that.

Mr. COCKRAN rose.

The CHAIRMAN. Does the gentleman from Minnesota yield to the gentleman from New York?

Mr. TAWNEY. I do.

Mr. COCKRAN. Mr. Chairman, I would like to ask the distinguished chairman of the Committee on Appropriations whether he is prepared to furnish the House with some suggestion as to whether the administration of the Government could be maintained at its present efficiency if the reduction in appropriations which he foreshadows could be accomplished by these committees?

Mr. TAWNEY. I do.

Mr. COCKRAN. Now, I understand the gentleman to say that the expenditures as estimated by the Departments, the estimates being now before his committee, would exceed the revenues by some one hundred millions of dollars?

Mr. TAWNEY. Yes, sir.

Mr. COCKRAN. And the gentleman thinks, as I understand, or he affords the committee the gratifying assurance, that it will be possible for this House to reduce these estimates by \$100,000,000 without impairing the efficiency of the Government?

Mr. TAWNEY. Yes, sir.

Mr. COCKRAN. I congratulate the committee upon the possession of such a Committee on Appropriations and such a chairman. I will—

Mr. TAWNEY. I have answered the gentleman's question, and I would like to make a statement now in connection with the question which the gentleman has asked.

Mr. COCKRAN. My question was intended to elicit information.

Mr. TAWNEY. I believe, Mr. Chairman, that it is entirely possible for us to close this session of Congress without facing a certain deficit, and that can be done by reducing the estimates and keeping the next year's expenditures within the probable revenues. But this duty, for I consider it a duty, of doing that does not devolve alone upon the Committee on Appropriations. I would have the gentleman from New York [Mr. COCKRAN] to understand that the Committee on Appropriations is not in control and does not report all the principal appropriation bills where this deduction can be made, and, in my judgment, can be made, without any danger or detriment whatever to the public service. The Committee on Appropriations—

Mr. LIVINGSTON. Will my colleague simply mention those two or three Departments and let us have it all out?

Mr. TAWNEY. I have stated in the analysis of the estimate that the Navy and Military Establishments are asking this year in excess of current appropriations, in round numbers, \$75,000,000, and that is exclusive of new authorizations which have been recommended to Congress by both. I think there are, and there will be, material reductions in the estimates for appropriations coming from the committee that I have the honor to preside over, but inasmuch as these appropriations, outside of the fortification bill, all relate to the civil service of the Government, it necessarily follows that we must take into consideration the actual demand of the public service in making and preparing our appropriation bills. But if the House of Representatives does not support these committees, or the Committee on Appropriations, when they come in here refusing to give appropriations for doing that which the Government of the United States has no business to do—if the House insists

upon appropriating to defray the expense of exercising rights and performing duties by the Federal Government that belong exclusively to the States, to private interests, and to private corporations to do, then it will not be possible for either of the committees having appropriating jurisdiction to keep down the appropriations and keep them within the estimated revenues.

Mr. COCKRAN. Mr. Chairman, would the gentleman supplement the very valuable information which he has already given us by making it a little more precise and definite as to the exact character of appropriations that he thinks could be cut off by due vigilance on the part of this committee?

Mr. TAWNEY. I would say, Mr. Chairman, that in the preparation of an appropriation bill it is first necessary to analyze estimates. It is necessary for the committee to have the men who have submitted the estimates come before it, and to have them carefully examined as to the requirements and the necessity, the urgent necessity, if you please, of making the appropriations for which they have asked. It would be impossible for me at this time, having examined or analyzed only the estimate for urgent deficiency expenditures, to say in detail what particular items can be omitted from the appropriation bill. I might refer to some items that are carried usually in the sundry civil bill; items that have been put on in this House against the protests of the Committee on Appropriations that, in my judgment, are absolutely foreign to any constitutional Federal governmental function.

Mr. COCKRAN. I would appeal to the gentleman to go on and let us know.

Mr. TAWNEY. I will call attention to some of them.

Mr. YOUNG. Before the gentleman leaves this point I wish to say that I see that in this urgent deficiency bill there are items aggregating \$3,980,000 for the Military Establishment. I assumed that the Committee on Appropriations deemed that amount necessary, and I wish to ask my friend from Minnesota, in answer to something that seemed like criticism upon the Committee on Military Affairs, if this does not indicate that that committee, instead of being extravagant in the last Congress, pared its appropriations too closely?

Mr. TAWNEY. I am not criticizing any committee, Mr. Chairman. The fact is, as I said before, almost all the deficiency appropriations for the Military Establishment arise out of unusual circumstances that have occurred since the committee considered the estimates and reported the Army appropriation bill to the House. Most of it comes on account of Cuban occupation; some, a remnant, on account of the fire and earthquake in San Francisco. Then a part of it is on account of a law that was passed by Congress late in the session, as I now recall it, authorizing and requiring the Coast Artillery to be separated from the Field Artillery and the recruiting of the Coast Artillery. It is made up of items of that character, which are unusual, which were not and could not be anticipated by any appropriation committee of the House. I want to say right here, because every session of Congress is called upon to make appropriations on deficiency and supplemental estimates, that I have not included any of these in the estimated deficiency at the end of the next fiscal year I have given. That is another reason why the estimate and statement I have made to the House is an ultraconservative one.

Mr. Chairman, upon reflection I don't think it would be wise at this time to enter upon any detailed statement in regard to particular items in the appropriation bills which, in my judgment, might be omitted for the ensuing fiscal year. I know that every committee of this House will patriotically endeavor to discharge its duty, and when these bills have been reported to the House it will then be the duty of every Member for himself to scrutinize the various propositions included and for himself to determine whether or not the expenditure is necessary, and if not necessary, in his judgment, then to endeavor by his vote and in every honorable way to prevent it or reduce it.

Now, Mr. Chairman, in regard to the deficiency bill that has been presented. Members of the House will observe from the report that it is made up of a few items. For the Treasury Department there is \$1,680,331. The most of that is on account of the increased revenue of the Government during the last year and the current year, and is absolutely necessary in order to carry on this service. The expenditure will be made, and can be made, whether Congress appropriates or not, because it is a statutory authorization. The District of Columbia has \$304,000, \$107,000 of which is for furnishing and equipping our new municipal building. The balance is made up of comparatively minor items urgently needed.

The CHAIRMAN. The Chair will call the attention of the

gentleman from Minnesota to the fact that he has occupied one hour. Of course he controls the time himself.

Mr. TAWNEY. For the Military Establishment there is carried in this bill \$4,000,000 in the aggregate; and this, as I stated before, is made necessary on account of Cuban occupation and an increase in the price of forage, clothing supplies, and other equipment, which increase occurred largely since the estimates were submitted to the Committee on Military Affairs last year; and the average increase, as the Quartermaster-General informs us, is 15 per cent. Gentlemen of the War Department submitted an explanatory note covering fully and explaining in a detailed way this additional appropriation and why it is necessary in order to meet the demands of the service.

The next large item is \$300,000 for the payment of back pay and bounty claims. We appropriated \$200,000 for this purpose at the last session of Congress. You will all remember that near the close of the last session we passed an act reopening a large number of bounty claims. My recollection is that there are now pending and unsettled with the Auditor of the War Department 90,000 of these claims. This amount is an ascertained amount necessary to pay the claims that have been allowed or will be allowed during the remainder of this fiscal year, and the Auditor informed us that it was doubtful if it would be sufficient.

The Naval Establishment has \$1,611,790. It is made up practically of two items—one on account of coals and the other on account of transportation, neither of which appropriation for the current year is within the provisions of the antideficiency law. There was a statute passed in 1861 which gives to the Army and to the Navy express authority to exceed its appropriations for fuel, for transportation of the Army, and other necessary supplies which are specifically mentioned in that act.

The necessity for this additional appropriation, I may say, as appears from the testimony before the committee, grows out of the fact that our fleet is now being transferred from the Atlantic to the Pacific Ocean, and \$1,000,000 of this additional appropriation is on account of coal. If you will read the hearing, you will see that the committee went into the question carefully of where this coal has gone to and how much of it has been distributed at the different places.

The Department of Commerce and Labor, \$553,000, is largely on account of new buildings at Ellis Island, N. Y.

We appropriate each year, I think, about \$400,000 to be expended, in the discretion of the President of the United States, for the purpose of eradicating epidemics, and during the last year the Department, under the direction and authority of the President, has been engaged in that work in the city of San Francisco, trying to eradicate the bubonic plague. I want to say in this connection, not by way of criticism, but as a statement of fact, that to-day San Francisco is contributing for this purpose \$10,000 a month, and the Government of the United States is paying \$30,000 a month, and the State of California is not paying a cent. I brought to the attention of the officers who appeared before us the fact that before any further expenditures were made on that account it was their duty to endeavor at least to have the State of California contribute something toward the eradication of this plague.

The large item in the bill, in fact, half of it, is \$12,178,900 on account of the Isthmian Canal. I will say for the information of the committee that some of the members of the Committee on Appropriations visited the Isthmian Canal in November last for the purpose of examining the estimates for canal expenditure on the ground, and during that visit we ascertained what caused the necessity for this additional appropriation. It is due entirely to the increase in the amount of work that is being done—that is, the excess of work that is being done over the amount it was estimated could be done when the appropriation for this service was made at the last session of Congress. Almost this entire appropriation of \$12,000,000 is for skilled and unskilled labor, and for material and supplies, to be expended under the engineering and construction department of the Commission. When we reach the item, doubtless there will be some questions that Members will desire to ask, for the purpose of securing information upon the subject, and any member of the committee I know will be very glad to give any information concerning the details of the expenditure that may be called for.

Now, Mr. Chairman, I do not think it is necessary for me to weary the patience of the committee any longer with any further statement. As the bill is considered by paragraphs, opportunity will be given for full discussion of each paragraph and to obtain all the information that the members of the

committee may be called upon to give and that they may be able to give. [Applause.]

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. BUTLER having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. CROCKETT, its reading clerk, announced that the Senate had passed without amendment bill of the following title:

H. R. 10368. An act to authorize Secretary of War to change name of Julius Flemming to his proper name of Jacob John Locher.

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

S. 110. An act for the erection of an addition or extension to the post-office and court-house at Sioux Falls, S. Dak.; and

S. 4064. An act to provide for a term of the United States circuit and district courts at Lander, Wyo.

Senate concurrent resolution 20.

Resolved by the Senate (the House of Representatives concurring), That the Secretary of War be, and is hereby, authorized to extend the examination and survey of Cowlitz River, provided for in the river and harbor act of March 2, 1907, up to the head of navigation, at Toledo, Wash.

URGENT DEFICIENCY APPROPRIATION BILL.

The committee resumed its session.

Mr. LIVINGSTON. I yield one hour to the gentleman from Alabama [Mr. UNDERWOOD].

Mr. UNDERWOOD. Mr. Chairman, the warning the gentleman from Minnesota [Mr. TAWNEY] has just indulged in, notifying the House that unless we retrench in our governmental expenditures and inaugurate a new system of economy at once we may expect to see a deficit in the National Treasury before the end of the next fiscal year, caused by the present financial distress of the country, the reduction of imports from foreign nations, with a corresponding reduction of revenue arising from the taxes levied on imports, brings before us the cause of the present panic and its effect upon the business interests of the country.

As long as time shall last in revolving periods of longer and shorter duration our country will face panics and financial depressions; sometimes arising from one cause and sometimes from another. This has been the history of the past and it will undoubtedly be the story of the future.

Whenever there are times of depression and financial ruin comes to the country there is some cause for the advent; it may be war or pestilence, crop failures or a dearth of money, business mismanagement or reckless speculation that produce these conditions. Whatever the cause may be the country always calls on the Congress for legislation to relieve the situation, and as a rule the relief asked for is a change of our banking laws or our money conditions.

When the patient is sick the doctor must first diagnose the case and determine what is the matter before he can prescribe his remedies for relief. In the case of the present panic we should search thoroughly for the cause that produced it before we attempt to apply the legislative remedies for its cure.

The panic of the nineties (1891-1897) has not yet passed from the memory of man, and a comparison of the conditions existing then with those of to-day may throw light on the question, and may guide our footsteps to a solution of the problems that now confront us. From the time of the panic of 1873 down to 1897 the balance of trade was against the United States, and during that time the exports of gold and silver bullion with which we paid our balances with foreign countries greatly exceeded the imports of the precious metals from abroad. We were being continually drained of the redemption money of the country. On the other hand, since the period of the Spanish war (1897) down to the present time, the importation of gold and silver bullion has greatly exceeded its export to other countries, with the result that although the money in circulation in 1897 amounted to only \$22.87 per capita, of which 33.82 per centum represented gold, there has been a constant increase of the volume of money in circulation until at the end of the fiscal year 1907 it amounted to \$32.22 per capita, as shown by the report of the Comptroller of the Currency, of which amount 41.90 per centum represented gold.

From the organization of our Government down to 1897 the per capita circulation of money had never exceeded \$24.56, but after 1897 it gradually, year after year, increased to the present volume.

Compare the business conditions of the early nineties with those existing in 1907:

	Year.	Number.	Value.
Farm animals	1892	54,067,590	\$2,461,755,608.00
Do	1907	72,533,966	4,423,697,853.00
Wool, fine	1892	294,000,000	.28
Do	1906	298,915,130	.33
Wheat	1892	515,949,000	.624
Do	1906	735,280,970	.667
Corn	1892	1,628,464,000	.394
Do	1903	2,927,418,091	.399
Cotton, middling	1892	9,035,379	.771
Do	1907	13,510,982	.1215
Rice	1892	237,546,900	
Do	1906	495,966,000	
Cane, sugar	1892	165,437	
Do	1907	243,000	
Gold	1892		33,015,000.00
Do	1906		94,373,800.00
Coal:			
Anthracite	1892	160,115,242	3.975
Bituminous			2.50
Anthracite	1906	399,783,284	4.50
Bituminous			2.75
Petroleum	1892	2,121,405,594	
Do	1906	5,312,745,312	
Pig iron, No. 1 foundry	1892	9,157,000	15.75
Do	1906	25,307,191	29.98
Do	1907		25.33
Steel	1892	4,927,581	30.00
Do	1905	20,023,947	28.00
Copper	1892	154,018	
Do	1905	402,637	

INCREASE OF MANUFACTURING INDUSTRIES OF UNITED STATES.

Year.	Wages.	Value of product.
1890	\$1,891,228,321	\$9,372,437,283
1905	2,611,540,532	14,802,147,087

DEVELOPMENT OF RAILWAYS.

Year.	Passengers.	Freight.
1892	575,769,678	Tons. 730,605,011
1906	815,774,118	1,610,069,829

WEALTH.

1890	\$65,037,091,000
1904	107,104,211,917

POPULATION.

1892	65,086,000
1907	85,593,303

PRICES OF LEADING CLASSES OF NECESSARY ARTICLES OF DAILY CONSUMPTION.

1902	\$90,105
1907 (from index number of Dun's Review)	107,264

BANK CLEARINGS.

1892	\$60,883,572,438
1907	154,662,515,258

From this comparison of products and prices in the country, before the last panic and the present one, it is shown that the material condition of the country was very different then from what it is now. In the panic of the nineties there was a dearth of money and low values for agricultural products and manufactures. The day before the present panic broke upon the country we enjoyed unrivaled prosperity—all the products of the fields, of the mines, and of the factories were selling for the highest prices they had commanded in a generation—there was a third more money in circulation in the country than ever before, and an enormous demand for labor. The products of the country were consumed by the people.

The production of cotton in 1892, at the beginning of the panic of the nineties, was about 9,000,000 bales; middling cotton was selling in New York—not at the farms, but in New York—at 7 cents a pound; in 1907 we produced about 13,500,000 bales, which sold in New York at an average of 12 cents per pound. Consider how differently the credits of the country were affected by the production and price of these two crops: 9,000,000 bales in 1892 at 7 cents per pound, and 13,000,000 bales in 1900 at 12 cents per pound. Would not this increase in production and price, if left to itself, bring prosperity to the country?

Mr. HARDY. I want to say to the gentleman that just before the panic began cotton was selling on the farm at over 13 cents a pound.

Mr. UNDERWOOD. Unquestionably, the panic condition has to some extent reduced the price of cotton. But, even with the panic, the price is being maintained. Why? Because the demand for cotton is keeping it up, the world demand and the

demand at home, showing that this panic is not produced by the lack of consumption of our crops or by crop failures or natural conditions; but there must be some other condition that is the cause of the panic.

Mr. CLAYTON. Will the gentleman yield for a suggestion? Mr. UNDERWOOD. Yes.

Mr. CLAYTON. My colleague will remember that during the last cotton year, after it had been ascertained that the crop was, in round numbers, thirteen and a half million bales, middling cotton went as high as 13½ cents a pound. He will also remember that during the current cotton year, when it has been ascertained that the cotton crop is eleven and a half million bales, in round numbers, middling cotton has been below 11 cents per pound. This has happened this year, when the wealth of the country is greater than ever before, and this decline has been one of the results of a Republican panic. Does not my colleague believe that if the cotton growers of the South had not held on to a large part of their crop and sold only by degrees that cotton would be much lower than it is? And does he not also believe that if a thirteen million and a half crop of cotton was worth 13½ cents per pound, an eleven and a half million bale crop ought to be worth 15 cents per pound?

Mr. UNDERWOOD. I agree with my colleague from Alabama that the splendid organization of the farmers of the South, coupled with the practical business methods they are now inaugurating in the sale of their crops, are largely responsible for the prices that are being paid for cotton in these times of financial depression, but I also contend that there was no falling off in the world's consumption of cotton before the beginning of the present panic.

There were 515,000,000 bushels of wheat produced in 1892, at 62 cents a bushel; in 1906 there were 735,000,000 bushels produced and sold at 66 cents a bushel, an increase in the production of wheat of one-third, and a large increase in the price. The same thing may be said of pig iron. We find that in 1892 there were only 9,157,000 tons of pig iron produced and sold at \$15 a ton; in 1906 there were 25,000,000 tons of pig iron produced that sold at \$20 a ton. Did that produce this panic? Is it the failure of a wheat crop, the lack of consumption, on the part of the purchaser, of cotton, the failure of the iron manufacturer to find a market in which to sell his product that produced the present panic? It can not be. These figures all controvert that fact. It shows that the country was prosperous when we rolled into the good year of 1907. Why, the wages in 1890 were \$1,000,891,000 in the manufacturing industries of the country and the value of the product they produced was \$9,372,000,000, whereas in 1905, as shown by the last industrial census, the wages amounted to \$2,600,000,000 and the products to \$14,800,000,000—an enormous increase, an increase of more than one-third in the wages paid in our industrial establishments and the product of their manufacture. Does that look like the country had arrived at a panic by reason of the inability to consume the product? The wealth of the country in 1890 was only sixty-five billions of dollars and in 1904 it had increased to one hundred and seven billions of dollars. The bank clearings in 1892 were sixty billions of dollars and in 1907, the year of the panic, they had increased to one hundred and fifty-four billions of dollars.

What caused the panic? It was not an act of God, pestilence, fire, or famine. It was not low values and hard times—we had never before been as prosperous. It was not crop failures—for several years past we had harvested the greatest crops the country had ever produced. It was not the burden of debt, for the consuming masses had paid their debts and owed less money than at any time since the civil war. It was not from a contraction of the circulating medium—we have more now than ever before in the history of the country, with a constantly increasing volume of money due to the great production of gold and the balance of trade in our favor.

Some years ago a distinguished Ohio statesman said of a political victory that it had been won by God and the Republican party. It is evident to-day that if such a partnership could have ever existed the combination has been dissolved by the Republican party, for the Almighty has given to our people an abundance of all that makes a people great, prosperous, and happy, and the Republican party has stood idly by and allowed the country to drift into a panic, the cause of which is apparent to all. [Applause on the Democratic side.] What then caused a panic in the midst of plenty? There could be but one cause—loss of confidence by the people. Loss of confidence in whom? Not in the powers of God to send the sunshine and the showers to produce the crops; not in the brawn and sinew of the man who delved in the mine or labored in the factory to continue the great industrial development; not in the markets of this country and the world to consume our products, for the demand

was more than keeping apace with the production. The loss of confidence in whom? In the ability of the banks of the country to return to their depositors their money when they needed it—to maintain solvent credits. Why should this condition exist? Most of our banks are safe and solvent; most of our bankers are honest and conservative. There is probably not one bank in a hundred which was doing business last summer which is not perfectly solvent and which will not pay its depositors every dollar it owes them; but the depositors do not know which is the one insolvent bank and which the ninety and nine solvent ones, and when the lawful reserves in the New York banks went below the legal requirements the depositors became alarmed and went after their money. It is stated that over two hundred millions of dollars went into hiding in a few weeks, which destroyed the basis of credit and stopped the wheels of commerce.

In my judgment, it was not due to lack of character, intelligence, or business ability on the part of the individual bankers, but to the lack of the proper safeguards in the banking laws of the country to protect the depositors.

The national bank act provides that the banks in the smaller towns and cities shall retain 15 per cent of their deposits, and in the larger cities, known as reserve cities, 25 per cent of their deposits, and does not allow the loaning out of these sums. In other words, a bank not in a reserve city or reserve center can only loan to its customers \$85 out of every \$100 deposited and the bank in a reserve center only \$75. It is not necessary for the banks to carry that amount of cash to transact their daily business; 4 or 5 per cent in most cases would be ample, but the law requires it to be held to meet emergencies and unusual conditions. For that purpose it is a very wise provision. The law also provides that the bank not in the reserve center or reserve city may deposit three-fifths of its lawful reserve in a bank in a reserve center. In other words, the bank in Alabama can not lend its lawful reserve to its customers in Alabama, but it can deposit three-fifths of it in a bank in New York City and get interest on it at 2 or 3 per cent. What is the result? The banker is in business to make money for his stockholders; he only needs 4 or 5 per cent of cash on hand to handle the ordinary demands of his business. The balance of his reserves he can not loan at home and therefore he sends it to New York, Chicago, or some other reserve city to get the 2 or 3 per cent interest they offer him.

The result is that the money is not in the bank vaults when an extraordinary emergency arises, and if the reserve bank refuses to return the reserve deposit promptly, as was done in this panic, the banker is deprived of the lawful cash reserve that the law contemplates he should have for the protection of his depositors.

This system of the country banks depositing their money in New York City is more responsible for the recent panic than any other immediate cause.

In the spring and summer when the demand for cash in the South and West was normal, the bankers from those sections of the country sent their reserves to the reserve banks in New York City, because they could get interest on them. When the fall of the year came and cash was needed to move their crops they demanded their money, all at the same time. This year the New York banks could not respond—their reserves fell below the legal requirements, the people became alarmed, withdrew their deposits, and hundreds of millions of dollars went into hiding and out of circulation at the time, above all other times, when the money of the country was most needed in the banks to liquidate the indebtedness of the country.

It should be borne in mind that the primary object of a bank, so far as the business of the country is concerned, is not merely to protect the depositor against loss, but to keep the money in the country in circulation. If "A" hoards his money for future emergencies and buries it under the hearthstone or keeps it locked up in a safety box, it is as much out of circulation as if it had been burned up; but if "A" deposits it in the bank and "B," needing cash to carry on his business, borrows the money, he thereby puts it back into circulation, where it pays the debts and transacts the business of the country.

Most of the business of the country is done on a credit basis; open accounts, notes, mortgages, bills of exchange, checks, and contracts; the stability of this credit system depends upon the ability of the debtor to obtain sufficient cash to pay off his indebtedness at the time it becomes due. The volume of credits is so much greater than the volume of money that there is never a time when the credits could all be paid in cash, but the banks are the clearing houses of the country that facilitate the handling of cash and enable the debtors to readily and conveniently meet their obligations when they become due.

It is obvious to everyone how necessary it is to all classes of people, whether they have money deposited in the banks or not,

for the idle money of the country to be in the banks, that it may at once be put back to its work of liquidating the indebtedness of the country and perform the task it was created to do. In the ordinary course of business not more than one dollar in twenty-five that is deposited is called for in cash at the same time, so that the banker can safely return a large amount of these deposits to circulation, but, when his depositors become alarmed, run on the bank, and all demand their money at the same time, the function of the bank ceases; and unless the banker is so fortunate as to have assets that are quickly converted into cash his bank must liquidate and its creditors be paid. When this occurs to a number of banks at the same time, and the cash in the country is not sufficient to pay the outstanding credits, failures follow as a natural consequence, and the country is thrown into a general panic—with business curtailed, idle factories, unemployed labor, and low prices for agricultural products as the result.

Is there a remedy; and if so, what is it?

It should be borne in mind that the volume of lawful money available for use as a circulating medium and as bank reserves can not be changed by a currency plan, as the volume of lawful money will adjust itself according to the course of trade and the prevailing rates of interest; and a circulating medium that is not redemption money will drive the redemption money out of circulation in times of financial distress, as has been demonstrated by the recent issue of clearing-house certificates. The lawful money was immediately hoarded, leaving the bank credits alone in circulation as a substitute for the lawful money of the country.

An addition to the stock of gold can be obtained only from the mines or by importing gold from abroad, either by means of loans or by means of sales of shares or bonds or other property. That states the whole question in a nutshell. Issue asset currency to the country. I do not care whether it is perfectly safe in its ultimate payment or not. What is it? It is merely a forced loan, an issue of indebtedness that you force the people to take for another indebtedness. What is the difference between asset currency and your credit on your bank deposit book?

You take your money and put it in the bank and the cashier enters on your book a credit of so much money. You go to the bank to demand that money. What have you a right to demand? Lawful money of the United States. But if the bank can issue asset currency and give you asset currency, how has it changed its position? The currency can be worth nothing—is good for nothing—will either not circulate at all or will drive all the lawful money in circulation out of circulation unless it is redeemable in gold. Well, then, when they have issued the asset currency, how have they changed the condition in the country? When you had your bank book you went with your check and demanded gold. If they gave you asset currency and it is redeemable in gold, when you get the asset currency and you want the gold you go to the bank and present it and demand your gold again—that is, if the bank redeems it; and if the Government redeems it, then you are giving the privilege to an individual banker to issue a paper—to issue his debts as money—force his debts into the hands of the people and force the United States Government to redeem the banker's debts in gold.

Mr. HARDY. Will the gentleman permit a question?

Mr. UNDERWOOD. Certainly.

Mr. HARDY. If that is done, is it not equivalent to making the Government stand sponsor for the redemption of the obligations of the bank?

Mr. UNDERWOOD. Absolutely.

Mr. HARDY. And would it not be better and straighter to make the Government guarantee the deposits of the bank?

Mr. UNDERWOOD. Unquestionably. That is what I am coming to. I will state to the gentleman that I expected to come to that part of the argument in a moment.

The demand for emergency currency can come from but two causes—first, that the credits of the country have so far expanded either from a natural and legitimate growth of business that the lawful money of the country can not sustain and liquidate them, or from wild and reckless speculation. In the first case it is the duty of the Government to see that the lawful money of the country keeps apace with legitimate demands of business. In the second instance it is better to let the interest rates go so high that they will slow down reckless speculation in time to prevent disaster; second, that the depositors, for good reasons or bad, have lost confidence in the banks and are drawing out their money, not for business use, but from fear of loss.

Would an emergency currency of any kind meet this emergency? Various forms of credit currency have from time to time been proposed—some based on bonds and other securities, and some on bank assets, with a tax on the amount in circula-

tion to provide an insurance fund to pay them if the bank failed to do so. I shall not stop to discuss the merits and demerits of these various schemes, for, in my judgment, there is an obstacle that lies in the path of all of them which makes the adoption of such a plan impossible, and that is their redemption in lawful money. If they are not redeemable in lawful money, they will either not circulate at all or they will circulate with lawful money at a premium, and it will then cease to perform its function as money and become a commodity, like wheat and cotton, to be bought and sold.

Then who shall redeem this bank currency in lawful money? Each individual bank? In that case the notes of the strong bank will be good and those of the weak bank worthless; in the end it will depend upon the confidence of the people in the ability of the bank to obtain in times of great stress sufficient lawful money to redeem its notes, and when that confidence failed all the outstanding notes would go to the bank for redemption at once, and we would have a note holders' run on the bank instead of a depositors' run; in all probability we would have both at the same time, which would not relieve the situation, but only embarrass it the more and fill the country with a cheap money.

Some say the power to issue money, and the redemption of it, should be placed in the hands of a great central bank. If we are to have a bank currency at all, I grant this to be the safer and more uniform way to issue it; but this bank must redeem its issue of notes in gold to make it circulate with lawful money, and, on a larger scale, it is subject to the same difficulties that the issue by the individual bank presents to us. Besides, it would create a banking monopoly, of which the American people certainly will not approve.

Another plan suggested is that the Government shall redeem the bank currency in lawful money, and that means in gold, for the Government now redeems all other money in gold, and the new currency must be put on the same level with the balance of our currency, or else it will not be as good. What does this lead to? No matter what limitations you prescribe as to its ultimate solvency and safety, you grant to an individual, or collection of individuals incorporated as a banking association, the power at his will and discretion to issue his notes of indebtedness to circulate as money and put the burden and cost upon the Government of personally paying them. When the banker has loaned out his deposits beyond the power of recall, you authorize him to convert his credits into bank notes and put the cost of finding the gold to redeem them upon the people; for, in times of financial distress, when the gold reserves are not sufficient to redeem the outstanding notes, the Government would have to sell bonds, whether the money was needed for governmental purposes or not, to get the gold to meet obligations not of its own creation or under its control.

On the other hand, if the currency is to be redeemed and protected by the Government, if the Government is standing behind the money that is issued by these banks, why should not the Government issue the money itself if it is necessary to issue it at all? If the Government is selling its bonds, as it would have to do if this asset scheme were carried out to get the gold and bring it into this country to redeem the asset currency, why should it not in the first instance sell its bonds and bring the gold here for the people of the country, rather than allow the bankers to speculate in the Government's credit?

Mr. HARDY. Let me ask you another question right there. As a matter of fact, is it not the practice of the Treasury Department, when they allow the national banks to withdraw their National Government bonds upon which the security for the Government deposits is based, and place instead of Government bonds other collateral approved by the Secretary, have we not an asset currency in practice now which shows itself utterly inefficient in effect in preventing panics?

Mr. UNDERWOOD. The Secretary of the Treasury has attempted to establish a bond-secured currency without the warrant of the law.

Mr. HARDY. And we have two hundred and twenty millions of it.

Mr. UNDERWOOD. And it has proven that it would not meet the emergency.

Consider the proposition in another way, with which we are all familiar—the recent issue of clearing-house certificates. Should the proposition be made to pass a law providing that the Government shall, on demand, redeem clearing-house certificates issued by the banks, in gold—granting for the sake of the argument that the securities behind the issue were safe and the amount limited—will anyone contend that the Government should be forced in this way to bear the burden of the banking business when only the bankers participate in the profits and

the United States Treasury bears the burden? Would it be a proper use of the taxing power to collect gold coin in the Treasury for the purpose of aiding a corporation to carry on its business at the expense of the taxpayers of the country?

It should also be considered that, in the event the Government should carry on hand a small amount of gold in its vaults with which to redeem these bank notes, in times of stress and danger it would be at great cost and with great difficulty that it could obtain gold. On the other hand, if it carried a large amount of gold on hand for this purpose, it would take the gold out of the channels of commerce, destroy its use as money for the time being, reduce the amount of redemption money in the country, and, to that extent, reduce commodity values, which, in the end, are measured by the lawful money in the country and not by bills payable, checks, demand notes, and asset currency.

I have endeavored to show that bank panics really arise from two causes—one, the accumulation of the bank reserves in the reserve centers when they are not needed for unusual emergencies, such as the movement of the crops in the fall, and the other is from the depositor becoming alarmed for the safety of his deposit and withdrawing it from fear of loss, and not in the ordinary course of business. If a law can be passed that will prevent the recurrence of these dangers, I believe bank panics will be prevented in the future and any necessity for an emergency currency laid to rest forever.

As to the first cause of trouble, the accumulation of the reserves in reserve centers, this can be readily prevented in two ways, either of which will be effective. Require all national banks to carry their reserves in their own vaults, or prohibit the banks in reserve centers, or reserve cities, from paying interest on balances deposited by other national banks. The banks may desire to carry a small part of their reserves in reserve centers for the purpose of facilitating exchange, but this requires only a small amount of the usual deposits. The bulk of the reserves go to the reserve centers to earn interest, and if the payment of interest on them is stopped the reserves would remain in the bank where they were originally deposited. In cases of emergency there would be no call on the reserve centers, and the strain that now occurs every fall when the crops are moved would be prevented and the business interests of the country would not be alarmed by reason of the contraction of credits in reserve cities due to the calling in of loans to meet the emergency demand for cash.

The other cause of bank panics—the fear of the depositor that he will lose his money—can only be prevented by the removal of all cause for such fear of loss. In the last Congress I introduced a bill that required national banks to pay a tax into the Treasury that should accumulate as an insurance fund to guarantee the depositors against loss, and at this session of Congress I have introduced a bill to protect and secure the depositors, a copy of which I will ask leave to insert in the Record.

The most useful legislation we can enact is that which will restore confidence in the banking institutions of the country; it will build up business interests, facilitate trade, raise prices, and give employment to labor and increase the circulation of the money in the country. And how can we do that? Why, the machinery by which we do it is the bank, where the idle money of the country can go and be loaned to the man who wants to put it in industrial circulation. But can you do that when the people of the country are alarmed as to the solvency of the banks? As a matter of fact, we all know that there are hundreds and hundreds of millions of dollars, not only to-day, but in normal times, when no panic conditions exist, that are buried in the ground, locked up in safety-deposit vaults, and hidden away because the people distrust the banks. That same money in circulation would go on doing the business of the country and the per capita circulation we have to-day would be increased threefold in its efficiency and ability to attend to the business of the country if the people of the country took all their idle money and deposited it in the banks. But they will not do it as long as they lack confidence in the solvency of the banks. The minute you restore confidence and let them understand that they are going to get their deposits back out of the banks, under any conditions that might arise, then they will bring their money to the banks.

Now, there is but one way in which that can be accomplished, and that is for the Government that has passed the national banking law, which has created this banking system and has adopted the rules and regulations for its government to make additional new rules and regulations that will force this banking system to protect the money of the depositor at all times. [Applause.] It is a very simple method. The idea is not a new one. It has been proposed for a decade or more that the Government should force the banks to deposit with the Secretary of the Treasury sufficient money to insure their de-

positors against loss. It would not be a heavy tax on the banks.

Mr. CRAWFORD. If you require national banks to secure their depositors, what will become of the State banks?

Mr. UNDERWOOD. I will say to my friend from North Carolina that I am thoroughly satisfied, able as is the body of men that we have in the halls of Congress, that we are no abler than those who constitute the legislatures of the various States. If we pass a law that will protect the depositor of the national bank, and it is a good law and accomplishes the result desired, I have no doubt in the world that the legislatures of the various States will pass laws that will protect the State depositors.

Mr. CRAWFORD. Would not the effect of this policy be to force all the State banks out of business, or go into the national banking system?

Mr. UNDERWOOD. No; not at all.

Mr. HARDY. Oklahoma has already preceded the National Government and passed that law.

Mr. UNDERWOOD. I thank the gentleman for the suggestion. I was just about to call attention to the fact that our friends in the States are wiser than we in the national halls of Congress, and some of them have already taken the step.

Mr. CRAWFORD. I take it for granted that the gentleman from Alabama is in favor of repealing the national 10 per cent tax on State bank issues, in accordance with the Democratic platform of 1892.

Mr. UNDERWOOD. That is irrelevant, so far as this issue is concerned, because that is a question of bank issues. This is a question of bank solvency, a very different question; and, as I said, it would not be a serious tax on the banks of the country. If you levied a tax of one-tenth of 1 per cent, 1 mill, on the average amount of circulation in the national banks to-day, it would raise \$5,000,000 a year. It would raise more money every year than the greatest losses that have occurred in any one year in the history of the national banks of the country. It would raise four times as much in one year as the average losses of the national banks since the beginning of the present national banking system. In other words, the tax would only have to be levied, to create this insurance fund, about once every four years, which would be a tax on a national bank having a million of deposits of \$250 a year. What does that amount to? A national bank in the country is entitled to loan out 85 per cent of a million dollars of deposits—that is, \$850,000, at 5 per cent, which would produce \$42,500 a year—\$42,500 a year that the banker makes out of his depositors; and to say that he should not be taxed to pay \$250 out of that profit to protect his depositors seems to me to be absurd.

Mr. HARDY. Will the gentleman yield?

Mr. UNDERWOOD. I will.

Mr. HARDY. If the question propounded by the gentleman from North Carolina [Mr. CRAWFORD] has any significance, does it not mean this, that if Congress should require a guaranty of deposits in the national banks that would result in driving the State banks out of existence? Would not that fact show that thereby national banks were made far superior to what they are now and, for the interest of the people, would it not be better if they lost the State banks and had their deposits protected?

Mr. UNDERWOOD. I think the gentleman is clearly right, but I do not think that would be the result.

Mr. CRAWFORD. Would a prudent business man deposit in any State bank if the national banks were guaranteed by the Federal Government?

Mr. UNDERWOOD. The gentleman does not understand the proposition. It is not a proposition for the Federal Government to guarantee anything. The proposition is for the Federal Government to force these national banks that are created by the Federal Government to raise an insurance fund, deposited for safety in the hands of the Comptroller of the Currency, to guarantee the depositors against loss. There is no reason on earth why the State banks could not do the same thing.

Mr. CRAWFORD. The State banks are transacting their business absolutely on the reserve required by law and are asking no aid.

Mr. UNDERWOOD. I know; and there is no reason why the same principle would not apply to the State banks as well as to the national banks. Instead of depositing the insurance money with the Comptroller of the Currency, they could deposit the fund with the treasurer of the State. There is no difference, and there is no reason to assume that it would not be done.

The report of the Comptroller of the Currency for 1907 shows that from 1865 to 1907 only 453 out of an average of 3,121 national banks in operation each year failed during that period. The number of failures is only 5 per cent of the total number of

banks chartered in the forty-three years since the organization of the national banking system. The total amount of individual deposits in national banks has been \$65,763,310,417, and the annual average deposits have been \$1,529,339,311. The aggregate claims proved against insolvent national banks was \$161,307,663. The loss to creditors amounted to \$47,911,583. The annual average amount of claims proven against insolvent banks was \$3,751,341, with an annual average loss to depositors of \$1,114,223. The annual average per cent of loss, proportioned on the assets of the insolvent bank, was 29.70 per cent, and the annual average loss to depositors, based on the annual average deposits of all the active national banks, was 0.073 per cent. The greatest loss that has ever occurred to depositors of national banks in one year was \$4,475,528, in 1893, and in only three other years in the history of these banks did the amount exceed \$2,000,000. In 1902 it was only \$1,113, all of which shows that the actual loss is very small indeed; that the real cause of runs on banks and bank panics is loss of confidence, which are as often caused by idle and false rumors as by actual conditions.

The bill which I have introduced for the better protection of depositors and creditors of national banks provides that a tax of one-tenth of 1 per cent shall be levied against the national banks on their average deposits each year, to be held by the Secretary of the Treasury as a trust fund to pay losses to depositors and creditors.

The individual deposits in national banks for 1907 were \$4,319,035,402. A tax of one-tenth of 1 per cent on this amount would produce about as much as the total loss in the most disastrous banking year on record, and four times as much as the average loss. In order that this tax may not become burdensome and accumulate in undue proportion, the bill provides that when the amount shall reach \$10,000,000 the tax shall cease until the fund is depleted below that amount. This fund will be ample to meet all emergencies and will be self-adjusting, and not take from the banks more than is necessary to meet actual losses after the first fund has accumulated. The bill also provides that the Comptroller may pay the depositors the amounts due them as soon as the receiver takes charge of the bank.

Can anyone doubt that the passage of such a law will end all bank panics in the future? There would never be a run on a bank if the depositors knew that if the bank failed an agent of the United States Government, the day after the failure, would pay them the amount the bank owed them in full. Although the bill calls for a tax of 1 mill on the average deposits, one-half of this amount would be sufficient, and the tax would not be called for more than once in three or four years. Consider what a small burden this will be on the banks and what a great boon it will be to the depositors, the banks, and the country.

But there is a far greater reason for insuring bank deposits than the protection of the depositor.

The report of the Comptroller of the Currency for 1907 shows that the total stock of money in the United States on July 1 of last year was \$3,115,600,000 and the amount of money held by national and other reporting banks of the United States at that time was \$1,106,500,000, about one-third of that in actual circulation.

There can be no doubt that a considerable part of the money in the country and not in the banks, even in normal times, was in hiding; in fact, we know this to be true from common knowledge. Hardly a day passes that we do not see an account in the newspapers of some one's death and the discovery by the heirs of a large amount of money hidden away. The only motive that could cause a sane man to hide his money would be lack of confidence in the banks of the country. When we have an insurance fund guaranteeing the payment of deposits, millions of dollars would at once be deposited in the banks which are now withheld.

In times of panic a larger amount of money is needed than at any other times, but under our present banking laws those are the times when it is withdrawn from the banks. During the panic of the nineties, from 1892 to 1893, the volume of currency in circulation in the country actually increased \$118,000,000, but the deposits in the banks of the country decreased \$314,000,000, which demonstrates beyond a doubt that the fear of loss on the depositors' part contracts the currency in actual use in the country at the very times it is most required to meet the needs of the people.

There are other provisions in the bill I have introduced that, in my judgment, would restore confidence in our banking system and protect the depositors, but I will not attempt to go further into the details of the bill at this time.

There was no material cause for the panic of 1907—with

bountiful crops, good prices, peace at home and abroad, labor in demand—the tidal wave of prosperity should have rolled on to the music of the thrashing machine and the cotton gin and the roar of the factory and hum of the spindle. Each recurring day should have proclaimed anew our industrial greatness and domestic prosperity. In a day the mighty pyramid of our industrial success was destroyed, a deluge of disaster and disaster was precipitated upon the nation, because we had a banking system that did not command the confidence of the people and was unable to sustain the credits of the country. [Applause.]

APPENDIX.

A bill (H. R. 10547) for the better protection of depositors and creditors of national banks.

Be it enacted, etc., That a tax of one-tenth of 1 per cent per annum shall be levied upon the average amount of deposits of every character held by national banks, the amount derived from said tax so levied and collected to constitute a special fund to be held by the Treasurer of the United States for the better protection of depositors and creditors of national banks.

It shall be the duty of the Comptroller of the Currency on July 1, 1908, or as soon thereafter as practicable, and annually thereafter, to ascertain the average amount of deposits held by each and every national bank reporting to him. This shall be ascertained by adding together the amounts shown by the five reports made to him in 1907 and each year thereafter and dividing such sum by five; when the amounts are thus arrived at, the Comptroller shall notify each bank of its liability under this act, estimating the amount of tax due on such average amount of deposits at one-tenth of 1 per cent per annum, and proceed to collect the same under regulations to be formulated by said Comptroller.

An accurate account of all sums of money collected under this act shall be kept by said Comptroller, and the funds shall be certified into the Treasury of the United States to be held as a separate and special fund.

If upon the failure of any national bank the amount realized from the collection of its assets and the assessment levied upon its stockholders shall not be sufficient to pay depositors and creditors in full of the face value of their claims against said bank, then the Comptroller of the Currency shall certify said amount of deficit as ascertained by him, and the Treasurer of the United States shall proceed to draw his warrant upon such fund for the amount so certified and payable to the receiver of said bank, to be used in settling the balance of said deposits or other proper claims: *Provided, however*, That the Comptroller of the Treasury shall, when such fund is sufficient to enable him to do so, immediately pay the depositors and other proper claims in full, the amount so paid to be returned to said fund from the collection of the bank's assets and the assessment levied upon its stockholders to the extent thereof.

When the fund created by the provisions of this act shall aggregate \$10,000,000 the Comptroller shall cease to levy such tax until the amount of the fund shall, in his judgment, require further collections in order to maintain a minimum of such amount of \$10,000,000.

Upon the liquidation of any bank contributing to the fund herein authorized the Comptroller shall ascertain if any portion of the fund contributed by said liquidating bank should be returned to said bank after ascertaining its proportion of losses sustained and expenses properly chargeable to said fund, and if any balance is due said bank he shall certify the amount to the Treasurer, who shall draw his warrant for the amount so certified in favor of parties to whom such amount is legally payable.

Sec. 2. That no association organized under the national-bank act shall pay interest on its deposits of any nature or description, except public funds of the United States, on which they are authorized to pay interest at the rate of 2 per cent per annum: *Provided, however*, That said association may continue to pay interest on deposits heretofore made until the 1st day of July, 1909.

Sec. 3. That any national banking association now organized, or hereafter organized, desiring to withdraw its circulating notes, upon a deposit of lawful money with the Treasurer of the United States, as now provided by law, is authorized to deposit lawful money, and, with the consent of the Comptroller of the Currency and the approval of the Secretary of the Treasury, withdraw a proportionate amount of the bonds held as security for its circulating notes in the order of such deposits.

Sec. 4. That the Comptroller of the Currency, with the approval of the Secretary of the Treasury, may authorize any national banking association, now required at all times to have on hand in lawful money of the United States an amount equal to at least 25 per cent of the aggregate amount of its deposits in all respects, to reduce said amount of lawful money so held, for a time expressed in his order, not to exceed six months, to an amount not less than 12 per cent of its deposits; and any association now required at all times to have on hand in lawful money of the United States an equal amount to at least 15 per cent of its deposits in all respects, to reduce said amount of lawful money so held, for a time expressed in his order, not to exceed four months, to an amount not less than 7 per cent of its deposits.

Sec. 5. That the affairs of each national banking association shall be managed by not less than five nor more than fifteen directors, who shall be elected by the stockholders at a meeting to be held at any time before the association is authorized by the Comptroller of the Currency to commence business of banking; and afterwards at meetings to be held on such day in January of each year as shall be specified therefor in the articles of association. The directors shall hold office for one year and until their successors are elected and have qualified.

Every director must, during his whole term of service, be a citizen of the United States, and at least three-fourths of the directors must have resided in the State, Territory, or district in which the association is located for at least one year immediately preceding their election, and must be residents therein during their continuance in office.

No person shall be eligible as a director who shall be an officer or director in any other bank, trust company, insurance company, or financial or banking association. Every director must own in his own right at least twenty-five shares of the capital stock of the association of which he is a director, unless the capital of the bank shall not exceed \$25,000, in which case he must own in his own right at least ten shares of such capital stock. Any director who ceases to be the owner

of the required number of shares of the capital stock, or who becomes in any other manner disqualified, shall thereby vacate his place.

Sec. 6. That no association organized under the national-bank act shall receive or accept deposits in excess of an amount equal to ten times the combined amount of its capital stock and surplus fund.

Mr. KEIFER. Mr. Chairman, I do not rise to make any formal speech. I do not think it necessary now to undertake to say anything in particular with reference to the urgent deficiency bill now before the Committee of the Whole. The chairman of the committee [Mr. TAWNEY] has made a very full and good statement in reference to it. I do not criticize anything in the bill. If it has any defects it consists of what is not in it, but of that later.

The chairman of the Committee on Appropriations has undertaken to say that there is great danger of our appropriations for the future exceeding the revenues of the Government, and he has properly called the attention of the House and all of its committees to the importance of seeing to it that we keep as nearly as possible within the revenues. I differ with some of my colleagues on the committee, and doubtless with many of the Members of this House as to the mode of making appropriations. I have witnessed in the last Congress, and I see the same symptoms coming up here in this one, that which indicates that we are to adopt a policy that to my mind is utterly unbusinesslike and which will in the end lead us to make appropriations that will be largely valueless to the country in the long run, and yet be very great. The plan of appropriating a little here and a little there for various purposes and measures results always in our appropriating in the end large sums of money and in many instances not accomplishing anything of substantial value.

This applies to the appropriations made for our coast defenses, for fortifications, and for various other things. In passing I may say, speaking from memory, that we appropriated in the last Congress, in the river and harbor bill, something over eighty millions of dollars. A large part of it when expended will be distributed here and there over the country in attempting to improve places as waterways, many of which have been appropriated for from time to time in this country since 1806, and many of them have never produced anything that helped to build up water transportation or the commerce of the country. From time to time, if we look at the history of the river and harbor appropriations, we will find that certain rivers and certain inlets and harbors have had money appropriations to improve them and then they have been abandoned, and in the course of a few years we come back again and appropriate something more for their improvement, and the necessities are the same at the time of the last appropriation as they were at the first, and no good has resulted. We could save a very large amount of money if we would appropriate at once a sufficient amount for the places that would produce results and omit the unimportant places, and we might thus retrench in our appropriations. We also adopt the dribbling policy in the matter of coast defenses; notably we refuse to close the mouth of the Chesapeake Bay through a proper appropriation that would render unnecessary all appropriations for places inside the Chesapeake or on the Potomac about Norfolk, Washington, Baltimore, Annapolis, etc. The other policy would save us hundreds and hundreds of thousands, if not millions, of dollars, and at the same time accomplish results that are not now accomplished. There is nothing now to prevent a foreign fleet, if we had war, from sailing into the Chesapeake, and the consequence would be that we would have to use our Navy within the Chesapeake to defend the country, and if we had the Chesapeake closed the Navy could go elsewhere for its service. I give this only as an illustration, and I might say that if we had appropriated a sum of money sufficient to fortify Pearl Harbor, near Honolulu, and perhaps Manila Bay, in the Philippines, we would not be talking so much and hear so much about a foreign war, and we would not have had to incur the expense, that will run into millions of dollars, of sending a fleet of sixteen battle ships around the Horn to the Pacific in order that we may show that we have some spirit left for war, if war should come. Had we made proper and timely appropriations there would have been no need to put up that sort of bluff. But this is enough, Mr. Chairman, for me to say on the subject of the mode or of our policy of making appropriations in peacetime.

A little politics is attempted to be brought into the discussion here to-day in reference to a mode of increasing our revenues. It is said by some of the Democratic Members that the way to increase the revenues now is to cut down the tariff and thus force the people of this country to purchase foreign products—that is, to force our people to import and pay duties upon foreign manufactured articles and foreign products. The history and the experience of the past show that that result never happened through free trade. We are

now and have been through the lifetime of the Dingley tariff bill importing more goods in value and raising more revenues than we ever did before or ever will when we throw our own people out of employment in order that we may buy the product of foreign people. I am not frightened at the Democratic threat that when they get into power they will so reduce the tariff as to compel our people to buy what they consume and what they need from abroad. This involves impoverishing this country, closing factories and shops, turning the skilled and unskilled laborers out of employment, stopping our mining, and generally stopping business in the country and bringing about disaster. When that comes we will have nothing with which to buy from abroad, and importations will not be so large and our revenues will be materially reduced. Now, I am about through with this line of discussion and I do not intend to dwell upon it here any further.

PANAMA CANAL.

My purpose, Mr. Chairman, when I arose was to say something relating to the appropriation made in this bill to enable the work of constructing the Isthmian Canal to continue as at present and on the scale it is now being prosecuted. This urgent deficiency bill carries an appropriation of \$12,178,900 for that purpose, and wisely so. There are no deficiencies now in the existing appropriations for the construction of the Isthmian Canal, but this large sum will be necessary to enable those in charge to continue the work upon the line of this canal to the end of the present fiscal year, June 30, 1908. Unless we conclude that we want to reduce the working force on the line of the canal and delay its completion we are obliged to make this appropriation. If it be the purpose of the United States to hasten as fast as practicable the final completion of the canal it is necessary to make this deficiency appropriation.

The total expenditures and appropriations for and on account of the Isthmian Canal thus far, including the sum carried in the pending bill, are as follows:

Payment to France (1902)-----	\$40,000,000.00
Payment to Panama (1904) for purchase of Zone-----	10,000,000.00
Appropriations for construction, etc. (1902)-----	10,000,000.00
Appropriations as deficiency (1906)-----	11,000,000.00
Appropriations as deficiency (1906)-----	5,990,786.00
Appropriations for fiscal year 1907-----	25,456,415.08
Appropriations for fiscal year 1908-----	27,161,367.50
Deficiency appropriations for fiscal year 1908-----	12,178,900.00
Total to end of fiscal year 1908-----	141,787,468.58

Of this total \$91,787,468.58 may be called appropriations for construction, and much of this sum has been or will be expended for things not estimated for by the Board of Consulting Engineers when it estimated the cost of the canal project, adopted by Congress, would be \$139,705,200. This estimate of the Board was exclusive of sanitation, for which already about \$8,000,000 (out of the appropriations above) have been expended, exclusive of expenses of the Zone government, and for water-works, sewers, and paving in Panama and Colon (made necessary to secure improved health conditions), and for the reequipment of the Panama Railroad. Doubtless other items of necessary expense were omitted by the Board. A change in the size of the dams and in the width of the locks will add at least \$5,000,000 to their cost.

It is not at all probable that the Board's estimated cost will prove to be high enough, even with due allowances for excluded items. For myself I wish we were engaged in building a sea-level canal. I believe such a canal is practicable and that its prime cost would not be so much greater than the one we are now building as to forbid its construction, and when built it would cost far less to maintain it, and the commerce of the world would then safely pass through it unobstructed. The cost of construction of all the locks of a width of 110 feet, it is estimated by Colonel Goethals, will be \$56,000,000.

Beginning with February, 1913, the United States is to pay the Panama Government \$250,000 annually further on account of the acquisition of the Zone and the perpetual right to occupy it.

The estimates for all purposes on account of the canal for the fiscal year ending June 30, 1909, amount to \$33,183,143.60, and this amount will doubtless be needed in that year to enable the work to be prosecuted as it should be, as much work on the construction of the locks and dams should be done in that year.

The wisdom of the canal need not be discussed now. The United States has determined to build it, and it will be built. When it will be finished we can not tell. I may say that those engaged in the work believe that they can finish this canal ready for operation by at least January, 1915. There are some of these people who believe the period of completion will be of an earlier date than that. From the time that Balboa waded into the

Bay of Panama on September 29, 1513, if I recollect my reading aright, and declared that he took possession of the Pacific Ocean and all its islands for the King of Spain (then called the King of Castile), up to the present there has been talk about an Isthmian canal. For a long time after engineers had reported that it was practicable to build a canal across the Isthmus of Panama the country of Europe that was in power and owned and controlled the Isthmus refused to do anything because it was decided by the ecclesiastic authorities that it would be against Divine Providence to attempt to build a channel across that Isthmus where the Creator had decided in his creation that it was not necessary to have one.

But we have passed on to other things and other times, and we are going to build the canal. Why did not the French build the canal? They made a heroic effort to do it, an earnest effort to do it. They engaged the best skill of the world in the enterprise; they accomplished a good deal of work, but they failed, Mr. Chairman, because they had not proceeded far enough in scientific knowledge, not engineering alone, but in other things which were necessary to be taken into account before this canal could be built. The principal thing that caused the failure of the French was their inability to control tropical conditions, to overcome the tropical diseases which were prevalent on the Isthmus. The French were not slow about their efforts or sparing in their expenditures. They devoted, unsparingly, life and treasure to succeed. They built the best hospital ever built in a country like that in the world. They resorted to every effort, and we are now enjoying the use of many of their well-built and well-appointed hospitals, but they failed to recognize what is now recognized to be true, that a people can not be properly cared for while engaged in a great enterprise like this or when assembled in armies by merely building hospitals to care for the sick. A preventive policy must be pursued. Hospitals will take care of the sick and provide a way for many to die, but they alone will not keep up the ranks of those employed in large bodies.

We are called in our age to use all the means that advanced science and skill, experience, discovery, and learning, especially in the medical department, has brought out and attained to in the way of preventing disease and its spread. We have accomplished, Mr. Chairman, on the Isthmus that which was not possible ten years ago. I state this on the testimony of Colonel Gorgas and others. We have accomplished the matter of making that Zone a comparatively habitable and a healthful place in which to live and labor. Formerly there was deadly malarial fever all over the Isthmus. This is known by those who were familiar with that period when people used to cross the Isthmus in 1849 and later, attempting to get hastily to the gold mines of California, as "Chagres fever." Thousands then died from this virulent fever. We have now, in a large sense, gotten rid of that. It does not now originate there. There is some malaria there still, but very little, and now more malaria is taken in by people who go there to work than originates there. The anopheles or malarial mosquito that has white legs has been almost exterminated from the Zone and from the line of the canal.

We have also accomplished, Mr. Chairman, the total extermination of yellow fever from the Zone, which was almost continuous there for over one hundred years and up to about the year 1904. Practically there has been no yellow fever on the Zone since 1905. I think the testimony shows that two cases crept by the quarantine into the Zone on the Isthmus in 1905 and one sporadic case appeared in 1906, but there has been none there since; and it is impossible, in view of the conditions which have been brought about by Colonel Gorgas and those engaged with him in the sanitation, for yellow fever to appear there at all unless it is imported there.

We have literally exterminated flies also from the line of the Canal, as well as the anopheles mosquito, believed to be the medium through which malarial fevers are transmitted. We have absolutely exterminated all mosquitoes, of course, including the *Stegomyia facitata* variety that alone can communicate and transmit the disease of yellow fever. The culex, a big mosquito with a band around it, which is harmless, except to bite, has also been exterminated from the Zone.

I have twice, since the adjournment of the Fifty-ninth Congress, March 4 last, been to the Isthmus of Panama, and I have traveled back and forth each time over all parts of the line of the canal, and each time with a considerable party, and I have only found one man of all the party who heard a mosquito on the line of the canal or in the Canal Zone. I have seen none who said they ever saw one there. We were there night and day. In March we were there in the dry season, when there is no rain, or practically none. In November I was there during the rainy season, and it is always hot there, of

course, but not a mosquito was to be found in either season. Through the discoveries which were made by Maj. Walter Reed and other distinguished Army surgeons associated with him in Cuba in 1900, and later where they worked out definite results through years of experimentation, it has been demonstrated that without a mosquito of the variety called *Stegomyia fasciata* it is impossible for yellow fever to be transmitted. There must be first a yellow-fever patient, and that patient must be bitten within the first three days of the disease by a mosquito of the variety just named, and the mosquito must then live for twelve or fourteen days before its bite will transmit the disease; and if there is no patient to be bitten, or if there is a patient to be bitten and no mosquito to bite him and transmit the disease, it is impossible to propagate the disease. So the Isthmus may be said now to be absolutely free from the deadly disease of yellow fever.

The French suffered greatly from yellow fever. They were forced to cut down their force to a few immunes, and their work on the canal consequently practically ceased. They kept no complete statistics of deaths from yellow fever or from any cause, but their imperfect records show that from 1881 to 1889 in Ancon Hospital alone there were 1,200 deaths from yellow fever, and these were among the white French employees. The negroes employed by the French were not liable to the disease.

I give here some extracts from the testimony given by Col. W. C. Gorgas in the hearings before Members who visited the Isthmus in November last.

The CHAIRMAN (Mr. TAWNEY). How long has it been since there has been a case of yellow fever on the Zone, or in either of the two cities, Panama or Colon?

Colonel GORGAS. In May, 1906, the last case occurred in Colon. It was officially reported as yellow fever. There was considerable doubt about its being a case, but it was so officially reported. The case that I myself consider as a case of yellow fever occurred last in Colon in December, 1905; but we have to go on the official reports.

The CHAIRMAN. What diseases are epidemic to that particular climate? What diseases are epidemic there?

Colonel GORGAS. To this part of the country?

The CHAIRMAN. Yes.

Colonel GORGAS. Well, yellow fever is about the only one. Of course we are liable to the bubonic plague. We have never had it, but it is epidemic on the coast above and below us. Yellow fever is the only one that has ever been extensive here.

The CHAIRMAN. Then, as I understand you, the fever would have to be imported?

Colonel GORGAS. It can not be started here now, under the present condition, unless a case comes in from the outside.

The CHAIRMAN. So that a strict quarantine or a lax quarantine will determine whether or not we will be able to exclude this disease from the Zone?

Colonel GORGAS. The only thing that would absolutely prevent the disease would be to stop commerce altogether. No quarantine could absolutely guarantee you against a case getting in. The incubation period of the disease is six days from the day a man is bitten until he develops the fever.

The CHAIRMAN. Are measures taken by the doctors of the Marine-Hospital Service? Is there any inspection whatever of people coming out of ports like Colon and Panama?

Colonel GORGAS. They are inspected just as they are in the States.

The CHAIRMAN. So that, as I understand you, the only possibility under the present conditions of introducing yellow fever into the Canal Zone or into the cities of Colon and Panama would be to come from some other place, and just as soon as you have any information of the existence of yellow fever in any of those South American ports they are quarantined against, and the passengers coming from there are detained until their condition is ascertained definitely?

Colonel GORGAS. Yes; that is correct.

The CHAIRMAN. So there is nothing in the conditions here at present naturally to produce yellow fever?

Colonel GORGAS. There has to be that factor of infection introduced from the outside.

The CHAIRMAN. The infection has to be introduced from outside?

Colonel GORGAS. Yes, sir.

Mr. KEIFER. I want to ask you a question or two before going away from the question of yellow fever. It requires a genuine case of yellow fever and the *Stegomyia* in order to inoculate those who are non-immune?

Colonel GORGAS. Yes; and the presence of a considerable number of non-immunes.

Mr. KEIFER. Is it possible for the *Stegomyia* to be brought in infected, so that it might, in contact with a non-immune, spread yellow fever?

Colonel GORGAS. It is entirely possible; but personally I do not look upon it as probable. You see, it is possible, but I do not believe yellow fever is conveyed in that way very often.

Mr. KEIFER. I want to ask you whether the *Stegomyia*, having bitten a yellow fever patient, after, say, a period of four days of the disease, would become so infected that it would spread the disease?

Colonel GORGAS. No; it is considered that the patient will not transmit the disease after the third day.

Mr. KEIFER. I thought it was the fourth.

Colonel GORGAS. No; the third.

Mr. KEIFER. Another question: After the mosquito has bitten the patient within three days, how soon after that is the mosquito in a condition to impart yellow fever to a non-immune?

Colonel GORGAS. From twelve to twenty days, according to the season; more rapid in the summer than in the winter. If you had a case of yellow fever in, and it was going to spread, it would depend upon the number of non-immunes.

Mr. KEIFER. Twelve days at least would have to elapse after the mosquito had bitten a patient, and that patient in the first three days of the disease?

Colonel GORGAS. Yes.

Mr. KEIFER. Now, this question: How long would the mosquito continue to be in a condition to impart the disease after the twelve days had elapsed?

Colonel GORGAS. Indefinitely, probably. When we were vaccinating in Habana we had a mosquito that was sixty-five days between the last and first imparting of the disease that it gave.

Mr. KEIFER. Then it would be practically throughout its life?

Colonel GORGAS. Yes.

Mr. KEIFER. If you could screen a patient from the mosquito for the first three or four days there would be no danger?

Colonel GORGAS. Yes; but it is practically impossible to insure that.

Mr. KEIFER. But it does a great deal toward it?

Colonel GORGAS. Yes; but I do not think it is by any means the most important measure. The destruction of the breeding places of the *Stegomyia* is the most important measure.

Mr. KEIFER. Of course, if you have not the *Stegomyia* you will not have the disease at all.

Colonel GORGAS. That is the most practical step toward the destruction of the disease.

I think I will put in my remarks the conclusion that was reached by the board that made the experiments in Cuba. The conclusion reached by that board is this, and I quote it:

1. The specific agent in the causation of yellow fever exists in the blood of a patient for the first three days of his attack, after which time he ceases to be a menace to the health of others.

2. A mosquito of a single species, *Stegomyia fasciata*, ingesting the blood of a patient during this infective period is powerless to convey the disease to another person by its bite until about twelve days have elapsed, but can do so thereafter for an indefinite period, probably during the remainder of its life.

3. The disease can not in nature be spread in any other way than by the bite of the previously infected *Stegomyia*. Articles used and soiled by patients do not carry infection.

The members of that board should be canonized for what they did for humanity, for material progress, and for civilization. Their conclusion was questioned for a time, Mr. Chairman, by learned scientists and medical men of Europe. They sent out boards to experiment about the disease and to attempt to show that yellow fever could be transmitted in some other way and through some other medium than as stated in Major Reed's board, but all of them reached the conclusion that the statement that I have just read concluded the whole subject. But enough of that.

Sanitation is the important thing. It was the essential thing that made it possible for the United States to proceed to construct this great canal. Some of you will wonder how this great sanitation work was accomplished from the Caribbean Sea to the Pacific Ocean, in general a distance of about 50 miles, with a breadth of zone of about 10 miles, through which the canal is being constructed. I can describe it now only imperfectly. First, Colonel Gorgas instituted the policy of draining all places, such as mesas and the like on the mountain sides, that were possible to be drained dry, so that they would not be a nesting or breeding place for any kind of mosquitos. Mosquitos always lay their eggs and breed in stagnant fresh water, never in sea water. When these places were drained dry there were still places where there was stagnant fresh water and where the mosquito could lay its eggs and they would hatch. These places were all carefully covered with oil and kept covered, which had the effect of destroying or preventing the eggs from hatching, and this put an end to the breeding of the mosquito, and in a short time, comparatively, the mosquito disappeared.

It seemed to me at one time as if Colonel Gorgas and his force down there were a little overparticular, but I guess I was mistaken. I believe it is one of his rules to prohibit people who live in the lowlands or on level lands along the line of this canal from keeping cows, because when the rainy season is on they might walk around in the damp places and with their hoofs make holes in the ground that would hold water and later constitute breeding places for mosquitos. So particular were all these things carried out that there was accomplished what is almost a miracle, as compared with the miracles of old. And now we can proceed to construct this canal in the ordinary way, free almost from deadly tropical diseases. The rate of deaths in the cities of Colon and Panama was at one time about sixty, and for a time among the French it ranged between thirty and fifty per thousand. Now, among the Americans the percentage from death is from three to four per thousand—a marvelous transformation. The sick rate among the employees in October last was twenty-six per thousand, which compares favorably with the sick rate of the Army and Navy, but in the previous calendar year the sick rate was about fifty per thousand. The present sick rate seems to be lower than the French death rate at one period.

There are large and excellent hospitals at both ends (Colon and Ancon) and smaller, or temporary, ones at principal places all along the line of the canal where those who get sick or suf-

fer accidents are cared for, and so this place is better cared for, probably, in sanitation and in medical and surgical attention than any other place in the world, whether tropical or not, where great operations are going on. And this encourages us to go forward with this herculean work to its final completion. While I am speaking on this subject I may say that there are great hospitals located on the heights of Ancon Hill, near and overlooking the Pacific Ocean, extending from near Panama city westward toward and near La Boca, the southern mouth of the canal. These are beautifully situated. All of the appointments are good and everything that is desirable for the care of the sick and injured will be found there. The French erected most of the Ancon hospital buildings. In addition to these and a large hospital at Colon there are, as I have already stated, emergency hospitals or dispensaries at all the principal places along the line of the canal—at Empire, at Culebra, at Bas Obispo, and at other places, perhaps. The purpose of these latter is that when an employee falls sick or an accident overtakes him he may soon be in the care and custody of a physician and nurses and in a temporary hospital at least within an hour. There is hardly a place that an accident could happen to an employee where he would not be cared for comfortably, and just as comfortably as anywhere in the world, within an hour. And then there is a hospital car that passes, I believe, once a day, or oftener if necessary, from one ocean to the other and to the dispensaries or temporary hospitals to pick up those who should go to a permanent hospital. Those who only need temporary treatment are ministered to in these temporary hospitals and then set to work again. There is also on the island of Taboga, in the Pacific Ocean, about 12 miles from La Boca, a convalescent hospital, built by the French, but now owned and run by the United States. It is a charming and healthful island, and the hospital is finely maintained.

This much is stated to give a little hint of what the medical department has accomplished and is accomplishing. We may feel now that we are carrying on a humane work, furnishing free sanitation and free medical treatment to all who are employed in constructing the canal. We have taught the whole world a lesson in sanitation. I have dwelt rather longer on this point than I intended. I have given importance to Col. W. C. Gorgas, one of the Commission, and who has charge of the sanitation of the Zone, and wisely, under the law and the treaty concession, has charge of the sanitation and everything relating to quarantine and to health in the cities of Colon and Panama, both of which lay within the Zone, but neither of which are included, for all purposes, in the Zone, or belong to the United States. But in order to protect everything carefully the United States has charge of the sanitation, including the marine and everything else connected with the quarantine and health departments of the two cities.

The Isthmian Canal Commission is at work, most of the Commissioners being on the ground on the Isthmus actively and personally engaged, and they are doing what I deem, and what I think I may say my colleagues who were with me on both occasions believe, everything possible to hasten the construction and the final completion of the canal. The present Commission is not responsible for all the existing conditions, methods or plans, or policies still pursued in carrying on the work, but I believe it is doing the best it can in the interest of the United States, all the inherited and tropical conditions being taken into account.

Lieut. Col. George W. Goethals, United States Army, chairman of the Commission and the chief engineer and in charge, lives upon the ground (Culebra), and he is to be found daily inspecting the work and giving directions.

Maj. D. D. Gaillard, United States Army, also lives at Culebra, and has, I believe, charge of all excavation and dredging.

Maj. William L. Sibert, United States Army, resides at Culebra, and has charge of the construction of the locks and dams and perhaps other construction work. I will not and can not here undertake to define all the duties of the several Commissioners, and I speak of them because I met them, and saw them at work, and to some extent looked into their mode of handling and managing men.

I should also mention Mr. H. H. Rosseau, United States Navy, civil engineer, who also resides at Culebra, and has charge of the municipal engineering, motive power, and machinery and building.

I met on the Zone my old friend Hon. J. C. S. Blackburn, the governor of the Zone, at present here on some public duty connected with the canal, but his place is on the Zone, and he is soon to return there. He is discharging splendidly the duties of his important position as civil administrator in the interest

of good order, peace, and harmony among the entire people down there.

Mr. Jackson Smith (Culebra), one of the Commission, is manager and in charge of labor, quarters, and subsistence.

Mr. Joseph B. Bishop is secretary of the Commission and has his main office at Ancon, and his duties are many and important. Under each of the Commissioners named there are many highly accomplished, skilled, and trained men in charge of important divisions and parts of the work. The work of all kinds is in successful progress all along the line of the canal.

Now, a word or two in reference to the care of the employees. It is very hard in one speech to describe what is being done in that regard. We furnish homes for everybody there. We furnish those who are called bachelors rooms in which to live, with some furniture, water, fuel, baths, and electric light. Men with families have family quarters, and they are likewise furnished these things. These quarters are well constructed on heights near to the canal, and they meet the requirements of the climate. We furnish to the laborers and common employees homes, and to certain of them food. We furnish free schools and free schoolbooks to all classes of employees who have children to be educated. We have built churches all along the line; also public halls for amusements and for meetings of all kinds. The Young Men's Christian Association is well organized at all principal places. There are laundries, bakeries, and eating places for the employees. I have personally eaten with the laborers at their usual eating places down there, and the men complain about as much, and no more, than you do at some hotels in this city, where you live until you have gotten tired of the food. The food furnished is wholesome, abundant, and all that. The water supply is pure and ample. We are doing these things for our employed people, and if there is any just criticism to be offered at all it is because we are doing rather too much than too little for them in addition to the wages that we pay all the several classes of laborers. Employees are paid on two rolls, a gold roll and a silver roll. Those on the silver roll are paid in Panamanian silver. I would prefer to have them paid in United States silver. There are but few from the United States on the silver roll. That roll is chiefly composed of Europeans and Jamaicans. The former receive 40 cents silver (equal to 20 cents gold) and the latter 20 cents silver per hour.

I want to say in general that I believe the present managing board of the Isthmian Canal, collectively and individually, are all working harmoniously, keeping up harmony and a good spirit among the employees, and, as a consequence, the great work is going on everywhere on the Isthmus better than ever before, and in saying this I cast no reflection on other or earlier administrations. For the present management I desire to say that there is no serious criticism which can be made as to them as far as I could discover, and if my colleagues discovered any objection to their management they did not disclose it, and I heard no objection to their methods of proceeding. This is encouraging, and it is some consolation for the large amount of money we have appropriated for this canal in the past, for the large deficiency we propose to cover in this bill, and the larger amounts that will have to be made for some years in the future.

Now, a word or two about the canal. I think, perhaps, I may profitably call your attention to the map before us, so that those of you who are not thoroughly familiar with the location of the canal by having gone down on the ground or from having studied its geography, topography, and other physical conditions, will understand a little better the explanations I am able to give than you could otherwise.

It is common to say that the canal when finished will be 50 miles in length, measured from deep water (50 feet) in Limon Bay on the Atlantic side, to deep water in the Pacific Ocean. More accurately speaking, the canal will be 49½ miles long.

In looking at that map, I wish to say that the right hand of the map is the north part. The map would represent, according to the usual way maps are made or placed, that the canal ran east and west across the Isthmus, but in fact it runs, in general, north and south.

It is common also to speak of the canal extending from Colon on the Atlantic to Panama on the Pacific Ocean, from east to west. This is inaccurate. Colon is not at the initial of the canal on the Atlantic side and Panama City is full 4 miles eastward from the mouth of the canal (La Boca) on the Pacific side. And the Pacific end of the canal will be about 20 miles east of the Atlantic end.

There is a common notion also, that the canal when finished will be principally a narrow channel between banks for the greater part of its length, and that its construction consists mainly in excavation work. This is also far from being the

case. There will be but about $9\frac{1}{2}$ miles of the whole length, when fully completed, that will have the appearance of a canal with adjacent banks.

From deep water on the Atlantic (Caribbean Sea) side to the Gatun locks, a distance of about $7\frac{1}{2}$ miles, it will be sea level, and from deep water on the Pacific side to the locks at Miraflores, a distance of about 9 miles, it will be sea level also, and, of course, sea water. This will make about $16\frac{1}{2}$ miles, or about one-third of the whole line of the canal, a sea-water channel, in the construction of which there will be but comparatively little actual excavation, though dredging will be required, much of which has been done, and in considerable part, by the French.

The intervening distance between Gatun, where the first locks are located on the Atlantic side, and the Miraflores locks on the Pacific side, is, approximately, 33 miles, including all locks. But of this distance the channel or line of the canal will be through two artificial lakes. The larger lake will be formed by the Gatun dam, the surface area of which lake will be equal to 165 square miles, though it will be far from regular in form. Its water will be supplied by the Chagres River that intersects the line of the canal at or near Bas Obispo (Bishop), a distance of 22 miles, or thereabouts, from Gatun. Bas Obispo is called the south end of Lake Gatun and the north end of the canal proper. Bas Obispo is distant from Pedro Miguel, on the south (where locks are located), $9\frac{1}{2}$ miles, and comprises within its limits the great Culebra (Snake) Cut, and actually that part of the whole distance from near Colon to La Boca could technically be termed "canal."

From Pedro Miguel to Miraflores (at each of which there are to be locks) the distance, inclusive of locks, is about 4 miles, about 2 miles of which will be an artificial lake, supplied by the Pedro Miguel River and other small streams. This lake was formerly to be about 5 miles across, the whole distance from Pedro Miguel to La Boca, where the last locks on the Pacific side were to be located.

It will be seen from these facts that a ship passing through the whole line of the canal will pass, going south from the Atlantic to the Pacific side, through $7\frac{1}{2}$ miles of sea-water channel; thence through the locks of Gatun and over the Gatun Lake and through the channel or bed of the Chagres River 22 miles to Bas Obispo (about 10 of this 22 miles will be lake proper); thence $9\frac{1}{2}$ miles through the Culebra Cut and canal proper to Pedro Miguel; thence through the Pedro Miguel locks and through the smaller lake to Miraflores, about 2 miles, and thence through the Miraflores locks into the sea-water channel, and through it, passing La Boca, about 9 miles to deep water in the Pacific, a whole distance, including all the locks, of $49\frac{1}{2}$ miles.

Any seeming inaccuracies in the several distances given is on account of the locks and the length occupied by each. I have no means of accurately estimating their aggregate length, but it will be considerable.

Now, as to the locks, a word and I will pass on or be through. The principal locks will be at Gatun. Wherever a lock is deemed necessary it will be put in in duplicate. That is to say, if they build one series of locks for one line of ship travel, they will build a twin one by the side of it, so that if any accident should happen to one another might be used, and possibly both might be used under some circumstances. It is therefore proper to use the word "locks" instead of the word "lock."

It is proper to say that in the cuts for the canal proper the bottom of the canal through the cut will be 40 feet above sea level, and the mean depth of water that is expected to be maintained and required in the canal will be 45 feet, making the distance from sea level to the top of the water in the canal 85 feet. These are the specific measurements that are given in the plans, but in practice it will be found that this depth of water must be exceeded, especially in so far as the depth of the water in the Gatun Lake is concerned. The dam at Gatun will create the great Gatun Lake. If the water is necessary to be kept in the canal 45 feet deep, as has been calculated by the engineers, it would seem that the water in the lake, in order to provide for what wastage there will be, must ordinarily be more than that, in order that it may keep up to the desired height through the dry season of the year.

There are between four and five months, of the twelve months of the year, of dry season, that is, a period when little or no rain falls on the Isthmus. The dry season extends usually from about December 15 to April 15. If the top of the water in the lake is only 85 feet above sea level at the end of the rainy season, it will be drawn on through the dry season for the water necessary to be used to supply the locks with water when the canal is in operation, and this will require considerable; and its

depth would be reduced by leakage, and other wastage perhaps, and very largely by evaporation and by other natural, if not artificial, causes, so that it will have to be maintained, in fact, more than 85 feet in depth above sea level in the greater lake. I think it is estimated that it should be maintained usually from 5 to 8 feet above the 85 feet to take care of these necessary things.

Now, the locks at Gatun will be in triplet series. The water in each lock will be about 1,000 feet in length for the holding of ships, etc., going or coming, whichever way they may be proceeding. And each lock of the series will be 30 feet in its lifting or lowering capacity.

Then, as each lock will lift the vessel 30 feet, the three in succession at Gatun will bring a ship up 90 feet and into the lake proceeding from the Pacific side. Inversely a ship will be lowered from this lake by the locks. We generally speak of having the locks to lift only 85 feet, but what I have said will explain the necessity of having each of the three locks at Gatun and of the two at Pedro Miguel and of the one at Miraflores 30 feet at least. Now, as I have before stated, these locks are in all cases in duplicate. There are these three successive locks in Gatun, and machinery will have to be provided to control them, with their gates, etc., but I will not go further into that here. I understand that it has recently been decided by the engineers, on recommendation of the Navy Department, to construct all the locks 110 feet wide instead of 100 feet, as was formerly agreed upon, and that this has the approval of President Roosevelt and of Secretary of War Taft. This increase in width from 100 feet, formerly agreed upon, seems necessary to secure the passage of the large modern battle ships, also freight and passenger vessels. At Pedro Miguel there will be two sets of locks to lock up or down 60 feet; each will be 30 feet, as I have just explained, and that will accomplish the object sought. On the south of the small lake at Miraflores there will be another lock of 30 feet, and that brings us down to sea level on the Pacific side. These locks are the difficult things to construct, with the necessary dams; and I may say from what I have gathered from conversations with engineers and from observations on the ground and from hearing the testimony of officials as to the conditions, that it is more than likely that we will be working on the dams and locks and their gates after we have finished the great Culebra Cut and the $9\frac{1}{2}$ miles of canal proper.

The actual work on the dam has hardly commenced. On the locks it is not expected to commence until about January next. Great preparations, however, are being made to do this work, and it may go forward faster than some of us anticipate.

I have said this much as to the physical conditions in order to give some idea, as it appears to me, of the character of this canal when it is finished, and of its capacity to carry the commerce of the world that is soon to pass through it.

It is difficult, Mr. Chairman, to pursue this line of discussion much further with profit, or to give in detail all the information that perhaps the committee would like to have. There is much more that could be said. As I recollect the statements of the witnesses called before us, principally members of the Commission, there was employed in November last on this work of all classes, including the Panama Railroad employees, something like 31,000 men. That number was then on the pay rolls, at least. Perhaps some of them were absent on leave and some sick. There are what they call the "gold employees," principally Americans, in the administrative work. There was an incomplete list given us which shows there were of the American class 4,992, and that there were of the West Indian employees 15,702, and of European laborers 5,134. I can not give from memory the numbers of all employees. It was most encouraging to witness the cheerful spirit of all classes of persons engaged on the work. There are large machine shops for repair of machines, tools, etc., assembling and rebuilding of locomotives at Gorgona, Empire, and other points. We have a great equipment all along the whole line of the canal. I think that the last report which I have seen shows that there were on the line of the railroad and in use in connection with the construction work in November, 1907, 184 locomotives. Some of them were old French locomotives rebuilt, and a considerable number were new American locomotives—above three locomotives to every mile of the canal. I can not now speak of the Isthmian railroad, operated largely in conjunction with the construction work of the canal. It is a most potential and necessary factor. The number of shovels and dredges and all those things that go to make up the equipment for the work I can not give. I do not think it would be of great benefit to undertake to give in detail all this information, if I possessed it, but if any of the committee desires to understand more about this canal and the nature and progress of the work, the care of employees, etc., the hearings that were taken before the mem-

bers that visited the canal in November last will be accessible, and complete information of all kinds will be found embodied there, chiefly in the testimony of members of the Commission.

I have no desire to prolong this discussion further. The map I have called attention to and which is before us shows the location of the canal, and it shows the latest location of locks, dams, lakes, and cuts along the line of the canal very well. I understand those maps are accessible if Members desire to get them. I thank the committee for its attention. [Applause.]

Mr. LIVINGSTON. Mr. Chairman, I now yield to the gentleman from Alabama [Mr. WILEY].

Mr. WILEY. Mr. Chairman, on the first day of the present session of the Sixtieth Congress I introduced a bill (H. R. 536) "To aid in the temporary support of the common schools," a copy of which I send to the Clerk's desk and ask to be read as a part of the remarks I desire to submit on this occasion.

The Clerk read as follows:

Be it enacted, etc., That for eight years next after the passage of this act there shall be annually appropriated from the money in the Treasury the following sums, to wit: The first year the sum of \$7,000,000, the second year the sum of \$10,000,000, the third year the sum of \$15,000,000, the fourth year the sum of \$13,000,000, the fifth year the sum of \$11,000,000, the sixth year the sum of \$9,000,000, the seventh year the sum of \$7,000,000, the eighth year the sum of \$5,000,000; which several sums shall be expended to secure the benefits of common school education to all the children of the school age mentioned hereafter living in the United States.

SEC. 2. That such money shall annually be divided among and paid out in the several States and Territories in that proportion which the whole number of persons in each who, being of the age of 10 years and over, can not write, bears to the whole number of such persons in the United States; such computation shall be made according to the census of 1880.

SEC. 3. That no State or Territory shall receive any benefits of this act until the governor thereof shall file with the Secretary of the Interior a statement, certified by him, showing the character of the common school system in force in such State or Territory; the amount of money expended therein during the last preceding school year in the support of common schools, not including expenditures for the rent, repair, or erection of schoolhouses; whether the common school facilities are afforded to the white and colored children therein, and, so far as is practicable, the sources from which revenues are derived; the manner in which the same were apportioned to the use of the common schools; the number of white and the number of colored common schools; the average attendance in each class, and the length of the school term. No money shall be paid out under this act to any State or Territory that shall not have provided by law a system of free common schools for all of its children of school age, without distinction of race or color, either in the raising or distributing of school revenues or in the school facilities afforded: *Provided*, That separate schools for white and colored children shall not be considered a violation of this condition. The Secretary of the Interior shall thereupon certify to the Secretary of the Treasury the names of the States and Territories which he finds to be entitled to share in the benefits of this act, and also the amount due to each.

SEC. 4. That the amount so apportioned to each State and Territory shall be drawn from the Treasury by warrant of the Secretary of the Treasury, upon the monthly estimates and requisitions of the Secretary of the Interior as the same may be needed, and shall be paid over to such officers as shall be authorized by the laws of the respective States and Territories to receive the same.

SEC. 5. That the instruction in the common schools wherein these moneys shall be expended shall include the art of reading, writing, and speaking the English language, arithmetic, geography, history of the United States, and such other branches of useful knowledge as may be taught under local laws.

SEC. 6. The money appropriated and apportioned under the provisions of this act to the use of any Territory shall be applied to the use of common and industrial schools therein by the Secretary of the Interior.

SEC. 7. That the design of this act not being to establish an independent system of schools, but rather to aid for the time being in the development and maintenance of the school system established by local government, and which must eventually be wholly maintained by the States and Territories wherein they exist, it is hereby provided that no greater part of the money appropriated under this act shall be paid out to any State or Territory in any one year than the sum expended out of its own revenues or out of moneys raised under its authority in the preceding year for the maintenance of common schools, not including the sums expended in the erection of school buildings.

SEC. 8. That a part of the money apportioned to each State or Territory, not exceeding one-tenth thereof, may yearly be applied to the education of teachers for the common schools therein, which sum may be expended in maintaining institutes or temporary training schools, or in extending opportunities for normal or other instruction to competent and suitable persons, who are without necessary means to qualify themselves for teaching, and who shall agree in writing to devote themselves exclusively, for at least one year after leaving such training schools, to teach in the common schools for such compensation as may be paid other teachers therein.

SEC. 9. That no part of the educational fund allotted to any State or Territory shall be used for the erection of schoolhouses or school buildings of any description, nor for rent of the same.

SEC. 10. That the moneys distributed under the provisions of this act shall be used only for common schools, not sectarian in character, in the school districts of the States and Territories, in such way as to provide, as near as may be, for the equalization of school privileges to all the children of the school age prescribed by the law of the State or Territory wherein the expenditure shall be made, thereby giving to each child an equal opportunity for education. The term "school district" shall include all cities, towns, parishes, and other territorial subdivisions for school purposes, and all corporations clothed by law with the power of maintaining common schools.

SEC. 11. That no second or subsequent allotment shall be made under this act to any State or Territory unless the governor of such State or Territory shall file with the Secretary of the Interior a statement, certified by him, giving a detailed account of the payments or disburse-

ments made of the school fund apportioned to his State or Territory and received by the State or Territorial treasurer or officer under this act, and of the balance in the hands of such treasurer or officer withheld, unclaimed, or for any cause unpaid or unexpended, and also the amount expended in such State or Territory as required by section 8 of this act, and also of the number of public, common, and industrial schools, the number of teachers employed, the total number of children taught during the year and in what branches instructed, the average daily attendance, and the relative number of white and colored children, and the number of months in each year schools have been maintained in each school district. And if any State or Territory shall misapply or allow to be misapplied, or in any manner appropriated or used other than for the purposes herein required, the funds, or any part thereof, received under the provisions of this act, or shall fail to comply with the conditions herein prescribed, or to report as herein provided, through its proper officers, the disposition thereof, and the other matters herein prescribed to be so reported, such State or Territory shall forfeit its right to any subsequent apportionment by virtue hereof until the full amount so misapplied, lost, or misappropriated shall have been replaced by such State or Territory and applied as herein required, and until such report shall have been made: *Provided*, That if the public schools in any State admit pupils not within the ages herein specified, it shall not be deemed a failure to comply with the conditions herein. If it shall appear to the Secretary of the Interior that the funds received under this act for the preceding year by the State or Territory have been faithfully applied to the purposes contemplated by this act, and that the conditions thereof have been observed, then the Secretary of the Interior shall distribute the next year's appropriation as is heretofore provided. The Secretary of the Interior shall have power to hear and examine any complaints of misappropriation or unjust discrimination in the use of the funds herein provided, and shall report to Congress the results thereof.

SEC. 12. That on or about the 1st day of September of each year the Secretary of the Interior shall report to the President of the United States whether any State or Territory has forfeited its right to receive its apportionment under this act, and how forfeited, and whether he has withheld such allotment on account of such forfeiture; and each State and Territory from which such apportionment shall be withheld shall have the right to appeal from such decision of the Secretary of the Interior to Congress.

SEC. 13. That the Secretary of the Interior shall be charged with the practical administration of this act in the Territories, through the Commissioner of Education, who shall report annually to Congress its practical operation, and briefly the condition of common and industrial education as affected thereby throughout the country, which report shall be transmitted to Congress by the Secretary of the Interior, accompanying the report of his Department. And the power to alter, amend, or repeal this act is hereby reserved.

SEC. 14. That no State or Territory that does not distribute the moneys raised for common school purposes equally for the education of all the children shall be entitled to any of the benefits of this act.

Mr. WILEY. To explain briefly, this measure has been drafted carefully, with a view to place the school question beyond the realm of politics, out of the reach of designing men who might desire to manipulate it for selfish ends, and with a sincere purpose to avoid the slightest interference with the different States in their sovereign capacity; in short, to utilize simply the wondrous resources of this Republic, unequaled in the history of the human race, which God in His goodness has given us, in order to roll back the dark cloud of illiteracy, which hangs like a deadly pall over many sections of this fair land.

The object of the bill is to give Federal aid temporarily to the common States of the country. It appropriates \$7,000,000 the first year, ten millions the second year, fifteen millions the third year, thirteen millions the fourth year, and so on in graduated amounts, to five millions the eighth year—in all \$77,000,000. The money is to be distributed to the States in the proportion that the whole number of persons of 10 years of age and over in each State who can not write bears to the whole population of the United States, provided that no State is allowed to receive a greater sum than shall equal what is expended out of its treasury for the maintenance of the common schools, not including certain amounts spent in the erection of school buildings. No money shall be paid to any State that shall not have provided by law a system of free common schools for all of its children of school age; but separate schools for white and colored children are permitted when required. It is further provided that not exceeding one-tenth part of the amount apportioned to a State may be applied to the support of normal schools for the training of teachers. Failure to comply with the conditions of the act or misapplication of the money apportioned to the State shall forfeit all claim to later apportionments, until compliance is assured and money misapplied is paid back or replaced by the State.

There are many other provisions in the bill, all designed to carry into effect its declared purposes of aiding the common schools and at the same time protecting the Federal Treasury against neglect or fraud in the application of the money appropriated.

Congress is not even allowed to say how the money shall be applied, while all control of studies is left to the State.

The General Government can not assume any control whatever over, or interfere with, the management of the educational system of the States. The bill does not, in the slightest manner, propose to change or alter any State law, to abridge the reserved rights of the States, or to meddle in any wise with the domestic economy of the people themselves or their right of

control or regulation in their respective States. The measure is simply designed, by aiding our common schools with Federal money, to improve thereby what is everywhere recognized to be insufficient and struggling systems.

Amongst those rights with which our Creator has endowed us and defined in the Declaration of Independence as "unalienable" are life, liberty, and the pursuit of happiness; to secure which "governments are instituted among men, deriving their just powers from the consent of the governed." The true aim and end of civilized government are not only to secure the citizen in the enjoyment of his life, liberty, property, and happiness, and to protect him at home and abroad, but also to uphold his character and honor, to preserve his health and safeguard his morals. To effectuate these beneficent purposes in this grand American Union we must build up and maintain throughout the country a splendid and adequate system of common schools. I may be pardoned for indulging the trite saying that the well-being of communities depends in a large degree upon the establishment of a thorough system of efficient public schools for the education of the youth of the land—of those who are to come after us, who are to take our places when we have gone away, and who are, therefore, the prop and support, the stay and hope, for the preservation of that civil liberty which was won by the valor of our Anglo-Saxon forefathers.

Under our theory of government, the people are the rulers. They are the source of all legislative, judicial, and executive power. From them all political authority emanates. For this reason in the enactment of laws we seek to protect the rights of the individual in his sovereign capacity. It concerns the general welfare of the nation to educate its own citizens, every one of whom is presumed to possess kingly attributes. This general welfare of the nation creates the duty to provide the means of education and gives to the cause "all its importance as an affair of public concernment." As has been well said: "It is, of human things, the highest interest of the State to put the means of obtaining a good school education within easy reach of the largest number of her children." It results that the man, or set of men, who opposes Federal aid in support of popular education is lacking in both judgment and sagacity.

To quote the eloquent words of another—

The public school question is as big and far-reaching as all other questions of human activities combined. Without knowledge a man is a superstitious brute; with a one-sided development man is a bigot, a boodler, or a monster. And so the school question must be discussed in all its far-reaching and varied utilities as touching the individual and the masses, as touching church and state, as touching home and government. Our schools must become the living and vitalizing soul of every community. They are a great mill into which we pour every kind and condition of people and expect that superior grist, American citizenship. How varied and yet how steadfast must be the influences to accomplish this great work, and what fullness of time they should have therefor!

It is plain that universal suffrage must be supplemented by illustrious education. This irresistible conclusion prompted the illustrious Vest, Missouri's great orator-statesman-Senator, to proclaim in yonder Senate Chamber:

Universal education is the only instrumentality that can exorcise the evils that attend free suffrage.

In different phraseology Governor Hughes, of New York, in a public address, recently gave utterance to the same thought:

In order to maintain democratic ideals it is necessary, as a fundamental principle, to open the door of opportunity to all classes.

Edward Everett declared:

Education has become, in this country at least, one of the public birthrights of freemen.

Our system of free schools has opened a straight way from the threshold of every abode, however humble, in the village or in the city, to the high places of usefulness, influence, and honor.

The poet said: "States are not great except as men make them." If that be true, it is manifestly an important duty of government to assist in the education of its destitute children. A great philanthropist has wisely said:

The ignorance and weakness of the poor can not stand against the greed of the wealthy; and so we have multiplied the millions of the rich and have filched the pennies from the poor until in our cities the squalor of poverty devours honor and manhood like Pharaoh's lean kine, until the multitude of children playing in the gutters—many of whom have a garbage pile for a table and a dry-goods box for a bed—with emaciated bodies and brains are an ever-present protest against their own existence.

Beholding the dark and angry flood of corruption which constantly sweeps over high and low places in political and business affairs, both in public and in private life, is it now time for this nation to pause in its scramble for wealth long enough to ask in what direction are we drifting, and whither shall we turn for relief from the evils which beset us?

We are told every day that there is corruption in politics, weakness in society, commercialism in the newspapers, and schism in the churches; but we know that many homes are

crushed and embittered by ignorance, poverty, and vice. Who can save us from this "body of death," morally and intellectually? To this question the answer is easy—the public school system, sustained by every possible financial resource and fostered, encouraged, and blessed by Christian teachers, whose lives are consecrated to God and humanity. Such a system is our city of refuge from the brood of ills which are hatched from the egg of ignorance.

We may lay down as a safe rule of action, as a guide for life's duties, this plain proposition, to wit: The proper care, discipline, and instruction of the child means righteous conduct on the part of the man. "As the twig is bent the tree inclines." Give every child the right inclination by training and culture, by a systematic cultivation and development of his natural powers, by a wholesome direction of his feelings, tastes, habits, and manners, and the Government will have gone a long way toward the abolition of the social evil, the divorce problem, gambling, drinking, grafting—all of man's inhumanities to man, which make "countless millions mourn."

Let us examine the statistics for a moment. There are in the United States 23,028,148 children of school age.

We find that there are enrolled in the public schools of the several States 16,256,038 pupils, and an average daily attendance of 11,318,256; therefore it is evident there are 11,710,522 children of school age on an average absent daily from school, who are either engaged in gainful pursuits or in harmful idleness.

The lesson taught by these figures, in my humble judgment, imperatively requires that the National Government should make a speedy and efficacious effort to aid the cause of education, as above defined, by all reasonable pecuniary means.

To those who have given the subject disinterested and patriotic consideration there is no escape from the conclusion that the development of the child, as I have tried to explain, is the basic principle of all free government—its paramount concern. The education of our children in a practical way, mentally and morally, means necessarily the highest good, the summum bonum, in governmental operations. Our public schools have become, therefore, the nation's ark of safety. Why? Because if this Government permits our tender and pliant youth to grow to manhood or womanhood in ignorance, prejudice, and vice it follows, as the shadow the substance, that the nation itself will be weak and corrupt; but if their mental and moral characters are stimulated, disciplined, enlightened, and elevated it will then become necessarily strong, stable, upright, and honorable.

Already the politicians are saying this well-meant bill is unconstitutional. Assertion is not argument. Misrepresentation is not proof; but such contention may have the effect to create such opposition to the measure under consideration as to result in its defeat. In that event it will not even become an academic question for literary discussion in debating societies.

I do not hesitate to declare that the bill, if ever enacted into law, will be upheld as constitutional.

It is provided by the Constitution that Congress shall have power to provide for the common defense and general welfare of the Union. How it shall provide for the common defense and general welfare is not specified. The Supreme Court of the United States decided the national-bank act to be constitutional on the ground that Congress alone was the judge of the necessity of such an act. Under this "general welfare" clause large powers are invested in Congress, and the constitutionality of laws are now sustained by the United States Supreme Court, where, in the judgment of a majority of Congress, they are deemed needful either for the common defense or the general welfare.

This is the question in a nutshell.

We have progressed, whether rightly or wrongfully I will not undertake to say, from a narrow to a liberal construction of the Federal Constitution.

There can be no doubt that for many years in the history of this Government one of the cardinal tenets of the Democratic party was opposition to governmental aid for purposes of internal improvement. The party to which I have the honor to belong was in favor of a strict construction of the Federal Constitution and was strenuously opposed to what is commonly termed "paternalism," no matter what guise it wore or from what quarter it came. It set its face like flint against legislation making appropriations for the purpose of constructing roads and canals and improving the navigation of our water courses. As an evidence of this policy, on March 3, 1817, President James Madison vetoed a measure entitled "An act to set apart and pledge certain funds for internal improvements;" in short, appropriating money for the construction of roads and canals and for the improvement of water courses, in order to facilitate, promote, and give security to internal commerce amongst the several States and to render more easy

and less expensive the means and provisions of the common defense.

In his veto message to Congress he employed these words:

The legislative powers vested in Congress are specified and enumerated in the eighth section of the first article of the Constitution, and it does not appear that the power proposed to be exercised by the bill is among the enumerated powers or that it falls, by any just interpretation, within the power to make laws necessary and proper for carrying into execution those or other powers vested by the Constitution in the Government of the United States.

The power to regulate commerce among the several States can not include a power to construct roads and canals and to improve the navigation of water courses in order to facilitate, promote, and secure such a commerce without a latitude of construction departing from the ordinary import of the terms strengthened by the known inconveniences, which doubtless led to the grant of this remedial power of Congress.

To refer the power in question to the clause "to provide for the common defense and general welfare" would be contrary to the established and consistent rules of interpretation as rendering the special and careful enumeration of powers which follow the clause nugatory and improper. Such a view of the Constitution would have the effect of giving to Congress a general power of legislation instead of the defined and limited one hitherto understood to belong to them, the term "common defense and general welfare" embracing every object and act within the purview of a legislative trust.

I am not unaware of the great importance of roads and canals and the improved navigation of water courses, and that a power in the National Legislature to provide for them might be exercised with signal advantage to the general prosperity. But seeing that such a power is not expressly given by the Constitution, and believing that it can not be deduced from any part of it without an inadmissible latitude of construction and reliance on insufficient precedents; believing also that the permanent success of the Constitution depends on a definite partition of powers between the General and the State governments, I feel constrained to veto this measure.

Again on March 4, 1822, President James Monroe vetoed a bill for "the preservation and repair of the Cumberland road," declaring that, in his opinion, Congress did not possess the power to establish turnpikes, build post-roads, or engage in works of internal improvement.

The question here presented was well defined and clean cut.

There can be no doubt of the Democratic position eighty years ago, but that policy has now entirely changed.

The millions expended every year by the General Government in building forts, constructing post-roads, and in improving rivers and harbors, as well as the numerous bills now pending before Congress asking aid for public roads and highways, demonstrate that the logic of events, the progress and prosperity of the country, our material growth and national exaltation, the genius and civilization of the age in which we live, all require the adoption of a less restrictive policy than that which the Democratic party, prior to the late civil war, was wont to observe, particularly in view of the fact that the Supreme Court of the United States, as before stated, have put a broad interpretation upon the powers contained in the Constitution which Congress, for the most part, has recognized and adopted, because in practice, it can not be denied, Congress has been very liberal, yea, latitudinous, in the construction of its legislative functions. It not only supports the Army and Navy, but also the Military and Naval academies in which to educate young men especially for that character of martial service. It not only builds forts but improves rivers and harbors, so that they can be better navigated. It has enacted the oleomargarine law to prevent discrimination against pure butter, as well as other similar measures looking to the health and morals of the people, saying in many instances, what shall we eat, what shall we drink, and wherewithal we shall be clothed. It has made appropriations to establish fish hatcheries, to distribute seeds, to survey soils and preserve forests and waterfalls. It has indorsed, and continues to indorse, the notes of national banks in order to give them value to the extent of hundreds of millions of dollars. It not only builds post-roads, but guarantees the bonds of railroad companies for vast sums to aid in constructing railways on the ground that they may be needed for carrying the mail and in transporting troops. It has given subsidies to ships and common carriers, as well as bounties to sugar made from both cane and beet; and, in recent years has made provision for irrigating arid lands in the far West. At this time the Government is engaged in the stupendous work of digging the Isthmian Canal to connect the two great oceans of the world.

A few years ago, upon the report of a failure of crops in Oklahoma, Congress voted rations for the needy boomers, while at the same time thousands of laborers were at work, under governmental pay, in throwing up proper defenses against future overflows of the Mississippi River. It has laid out and beautified magnificent national parks, maintains many Soldiers' Homes, and cares for the burying grounds of the gallant dead who followed the Stars and Stripes during the civil war. It has also made ample provision for marking the graves of Confederate soldiers and sailors whose lifeless bodies repose in the cemeteries of different Northern States.

It has passed bills to require railroads to use safety appliances for coupling cars; to tax State-bank money out of ex-

istence; to purchase lands, to build warehouses, stock and care for whisky; to purchase Alaska; to buy the Philippine Islands; to devote millions of acres of the public domain to corporations; to appropriate money for flood and fire sufferers; to send expeditions to the North Pole; to lend as well as donate money to industrial expositions and world fairs; to grant pensions to soldiers and their widows, and to make pecuniary outlays in many other instances where no provision is made therefor by express warrant in the Constitution.

The Fifty-ninth Congress enacted the national quarantine bill, the denatured alcohol bill, the pure-food bill, the meat-inspection bill, the Hepburn rate bill, the San Francisco earthquake bill, the cattle-tick bill, the boll-weevil bill, etc.

Not long since Senator BEVERIDGE, of Indiana, delivered an address under the auspices of the Forum at Yale University. His subject was, "The Meaning of the Times." I quote with approval the following true and forceful words which he employed on that interesting occasion, in defense of this last-mentioned legislation. He said:

When we stopped the robbery of the nation's forests, the robbers called it paternalism; when we stopped the sale of poisoned food and diseased meats, the sellers called it socialism; when we are trying to stop stock juggling, criminal rebates, and the like, the jugglers call it a raid on prosperity; when we try to stop government by graft and politics by purchase, those who grow rich by graft and get high places by purchase call our work interference with private affairs in the one case and assault upon respectability in the other case.

Let us not forget that, several years ago, Congress passed a bill making "a grant of land to the several States of the Union for the benefit of indigent insane persons;" also a bill "setting aside the net proceeds of the sales of public lands and the receipt from patents as an educational fund amongst the several States;" also the bill to aid the States in the establishment of agricultural and mechanical colleges, as well as the Hatch bill, under which experimental farm stations are established in each and every one of our "sovereign States."

Persons who oppose Federal aid to our common schools seem to find no inconsistency in the positions they occupy in upholding large appropriations to encourage and support agricultural and mechanical colleges, normal schools, and experimental stations, or to inspect meats, secure good food, and preserve the public health, or to exterminate cattle ticks, caterpillars, and cotton worms, or to care for the indigent insane, or to devote the proceeds of the sale of public lands to school purposes; but any endeavor, however feeble, to outstretch a helping hand in the way of applying tax money to aid in the temporary support of the common schools is regarded as nothing short of iniquitous, as glaringly unconstitutional. In the language of the late lamented Senator James L. Pugh (who ardently supported the Blair bill), "the man who comes as a friend with valuable gifts to your State for the education of your children, is denounced as a briber, a usurper, an enemy of your rights and liberties. His offer is spurned, and he himself is driven from your door as a public criminal."

I fail to perceive any difference between the power of Congress to appropriate land money, and the power of Congress to appropriate tax money, to aid temporarily in the support of common schools in the several States.

Nor am I alone in this construction of the powers of the Federal Constitution. Many eminent men, whose useful lives and distinguished services have ornamented the history of this Republic, have entertained the same opinion which Mr. Pugh himself expressed upon that subject in his able speech in advocacy of the Blair bill. In clear, ringing, and commanding words, in the use of which he had few equals and no superior, he declared:

I have no doubt Congress has as much power under the Constitution to appropriate revenue collected by taxation as Congress has to appropriate revenue collected from the sale of public lands and receipts from patents to the support of common schools in the several States.

Much of the legislation to which I have invited the attention of Members upon this floor has been predicated upon nothing more nor less than the implied powers of Congress, and was enacted under what is known as the general-welfare clause of the Constitution. Congress is the sole judge as to when and where and how these implied powers shall be invoked under this general-welfare clause. In short, almost any and every thing intended for the common defense and general welfare lies within the legislative province of Congress.

In the great case of *McCullough v. The State of Maryland*, reported in 4 Wheaton, page 316, the question was whether or not Congress had the power to incorporate a bank. And it was held that Congress had the constitutional authority to establish a banking corporation, not in the exercise of a distinct sovereign power or end of government, but as a means of carrying into effect other powers which are sovereign.

Chief Justice Marshall, in the magnificent opinion which he

delivered in that case, declared, among other things, the following great truths, to wit:

The Government of the Union is a government of the people. It emanates from them; its powers are granted by them, and are to be exercised directly on them and for their benefit.

While the powers not delegated to the United States, nor prohibited to the States, are reserved to the States or to the people, there is nothing in the Constitution which requires that everything granted shall be expressly and minutely described.

A constitution to contain an accurate detail of all the subdivisions of which its great powers will admit and of all the means by which they may be carried into execution, would partake of the prolixity of a legal code, and could scarcely be embraced by the human mind. It would probably never be understood by the public. Its nature, therefore, requires that only its great outlines should be marked, its important objects designated and the minor ingredients which compose those objects be deducted from the nature of the objects themselves.

Provision is made in a constitution intended to endure for ages to come, and, consequently, to be adapted to the various crises of human affairs. To have prescribed the means by which government should, in all future time, execute its powers would have been to change entirely the character of the instrument and to give to it the properties of a legal code. It would have been an unwise attempt to provide by immutable rules for exigencies, which, if foreseen at all, must have been seen dimly and which can be best provided for as they occur.

What a grand and glorious judicial character was John Marshall, "the oracle of American law," not of Virginia alone, but the universal favorite and favored son of this splendid Republic of free, separate, independent, and sovereign States. With a mental vision as clear and strong as the eagle's brilliant eye while gazing upon the fierce splendors of the noonday sun, he foresaw and has outlined for all time to come, as no other man before or since his day has ever essayed to do, the dual yet distinct capabilities and potentialities of both State and Federal governments, acting together, jointly and severally, beautifully and harmoniously, without jar or friction, each seeking the greatest good to the greatest number, and neither abating one jot or tittle of the lawful authority belonging to the other or resulting legitimately from the combined action of both.

The extract which I have just read in the McCullough case from that eminent jurist demonstrates that it was an impossibility for the framers of the organic law of the nation to have incorporated into its provisions all the incidental powers of government, and hence that Congress in the exercise of its implied powers can rightfully enact almost any law which that body judges to be useful or necessary for the common defense or general welfare of the people in the broadest and most comprehensive sense or meaning that may be applied to these words.

In the light of these facts, in the presence of all this remarkable character of legislation (much of which I do not approve), surely no liberal-minded, patriotic gentleman, when he takes time to reflect, ought to object to a bill which proposes to give Federal aid, for a few years only, in support of our common school systems, for the education of the youth of the country, for the benefit of our tax-ridden people, for the good which is bound to redound to the general welfare, particularly where it is manifest that many of the States, like my own native Alabama, are not able at this time, singly and alone, to make adequate provision for their full, complete, thorough, and successful maintenance.

Edward Everett, the scholar and orator, gives us this definition of human knowledge:

It is the cultivation and improvement of the spiritual principle in man. By knowledge the wings of the intellect are spread; by ignorance they are closed and palsied, and the physical passions are left to gain the ascendancy. Knowledge opens all the senses to the wonders of creation; ignorance seals them up and leaves the animal propensities unbalanced by reflection, enthusiasm, and taste.

The importance of education for all can not be controverted or underestimated, for there is nothing that makes the body or so much esteem in the eye of the Great Being who formed it as the fact that there is included within it an immortal spirit whose flames can never be quenched but by an almighty act. The mind is God's masterpiece, His crowning work.

Mental improvement and moral development stand, therefore, in the front rank of every other interest.

They vitalize the social, civil, religious, and political fabric. They constitute the philosopher's stone, which converts the base metal into pure gold. They kindle the bright fires of honor and cause high feelings to swell in the soul. They distinguish the noble from the base, and lift us victorious over toil, pain, and suffering. They curb the tyrant's power and stay the despot's arm. Nobility were nothing without them, while liberty finds her best bulwark, her strongest tower of defense, in their encouragement, cultivation, and fostering care.

An enthusiastic old Greek once grandly exclaimed: "The wealth of the mind is the only true wealth." The prejudices which depose, the superstitions which enslave, vanish before an educated mind. The wealth which knowledge gives fate can not lessen, reverse can not reach, the seasons can not blight, nor fraud steal away.

"Wisdom is above price."

In the language of Job—

No mention shall be made of corals or of pearls; for the price of wisdom is above rubies. The topaz of Ethiopia shall not equal it, neither shall it be valued with pure gold.

"Knowledge is the principal thing," saith Solomon.

Therefore, get knowledge, and

With all thy getting get understanding;

Exalt her and she shall promote thee!

She shall bring thee to honor when thou dost embrace her!

She shall give to thine head an ornament of grace,

A crown of glory shall she deliver thee!

Mr. Chairman, believing that Congress has the power to vote the appropriation which this bill calls for, in which the people of my State will receive a share and derive a substantial benefit, and believing also that there resides in Congress the duty and obligation to aid the struggling and tax-burdened States to carry on and maintain these common schools, I make this appeal in behalf of the poor boys and girls of Alabama.

I ask the people's Representatives from the other States, here and now, will you fail to come up to the full measure of your responsibilities? Will you refuse to heed the voice of your constituents in a matter so grave, so far-reaching in its consequences to them? Will you omit to do your duty in this respect? It remains to be seen. I hope not. I pray not. The cause is glorious. Here is a golden opportunity to accomplish some practical good for the "common masses of the common people." Will you avail yourselves of the chance thus offered? It remains to be seen. Let it be our boast that we inherit a land "of liberty and light." Let the schoolhouse and the church be our national landmarks. Let freedom and knowledge, morals and religion be our birthrights and the birthrights of our children forever. [Applause.]

Mr. FULTON. Mr. Chairman, in my short time on this earth I have had several hard things said about me, but I never was referred to before as "the gentleman from Arkansas," although it is a mighty goods State. [Laughter.]

Now, Mr. Chairman, as this is the first time I have had occasion to address the House, it seems to me that it is proper and fitting that I should take advantage of the opportunity offered and on behalf of the people of the youngest and the greatest State in the Union to thank the Members of the House and Senate who, by their votes, struck from us the shackles of territorialism and clothed us in the vesture of American citizenship. While it is true that statehood was a long time coming to us, and while when it did come it was upon conditions such as were never before demanded of the people of any Territory as the price of admission into the Union, yet so anxious were we to be emancipated, for so long a time had we borne the burdens of a Territorial form of misgovernment, that when on that never-to-be-forgotten 16th day of June, 1906, the glorious news was flashed to us that Oklahoma, the "Land of the Fair God," was at last free, was at last given the rights which had for so long a time been denied us, a mighty shout of joy went up all over our new State.

Now, this is convincing to me at least, Mr. Chairman, that the people of Oklahoma are not in any event an ungrateful people, and is a further illustration of the truth of the old saying that "every rose has its thorn." I know and realize that the Members of this body are better informed concerning the conditions which prevail in Oklahoma than the rest of our citizens who reside without our borders, but since I have been here I have found and heard so many erroneous ideas prevailing in regard to my State and people that I trust I will be pardoned if I take up a few moments of the time allotted me and tell you something of what has been going on down there and something of the progress and the development that have taken place, something of the conditions with which we have had to contend, and of our needs at this time. I feel I am further justified in this because of the fact that this is the first time Oklahoma as a State has been represented in this body. Now, simply as an instance and to call to your mind the rapidity with which we have moved in Oklahoma, I want to cite to you a few facts. The part of our State known as "old Oklahoma," and which comprises but a small portion of our entire State, was only open to settlement eighteen years ago, and the north half of old Oklahoma, which is known as the "Strip," was opened only fourteen years ago. The southwestern portion of our State, the Kiowa and Comanche country, which my colleague from the Fifth District represents, was only opened six years ago. While it is true that the northwestern portion of our State was opened longer for settlement, yet, as a matter of fact, it was not settled until within the last four or five years. The eastern portion of our State, comprising as it does what was Indian Territory, and being composed entirely of Indian lands, and the restriction against the alienation of the same being so rigid, can scarcely be said even at this time to be open

to settlement. Now, these conditions are not such as can be said to be an incentive to the upbuilding of a new State. In addition, we were hampered for the want of proper legislation. We were burdened by outrageously excessive freight rates and inadequate railway facilities. One-half of our people had no voice whatever in the enactment of their laws or in the selection of their public officials, and, in addition, were practically bound and gagged by a perfect maze of departmental rules and regulations, but in spite of all these conditions Oklahoma has steadily forged to the front and has in a few years outclassed, surpassed, and left far in the rear many of the older States.

I want to tax your patience for a moment to read you just a few statistics to show you how great has been the progress that has been going on. For instance, Oklahoma to-day among the States ranks first in the production of broom corn, and we produce all of our broom corn just in a small portion of the State. We rank sixth in the production of cotton, and it has only been within a few years since we first began to cultivate cotton in Oklahoma. She ranks seventh in the production of cattle, ninth in the production of corn, eleventh in the production of horses and mules, twelfth in the production of hogs, and twelfth in the lowest per cent of illiterate whites. That makes me think—I do not know that there is anything in it, but it is worth the noting—that our rank in the production of hogs and illiterates is just the same. [Laughter.] She ranks thirteenth in the production of wheat and the same in the amount of railway mileage, fourteenth in the value of farm machinery, fifteenth in the production of oats, twenty-third in population, etc. As a matter of fact, Mr. Chairman, Oklahoma, although admitted as the forty-sixth State, yet the very moment she had an opportunity to compete and measure strength with her sister States immediately jumped to twenty-fourth place. I believe you may search the pages of history, but you will not find recorded there another instance of such remarkable growth and development. Now, if I should be asked to state the cause of this rapid progress my answer would have to be that it was twofold. First, our splendid, magnificent citizenship [applause], and, second, our wonderful natural resources. We have in Oklahoma to-day a million and a half of people, and I say right here that no State in the Union can show a better class of citizens or a higher class of citizenship.

These people come from almost every State in the Union. Every town, city, hamlet, and village has furnished its quota.

For instance, the State which furnishes our Presidents, the great State of Ohio, has sent 28,000 of her sons and daughters to the State of Oklahoma. And I might remark that it does not seem to have diminished her supply of presidential timber in the least. And I might further remark, as the thought comes to my mind, and I am not a prophet and I do not pose as one, yet it is possible that neither one of Ohio's illustrious sons will be our next President, and at the same time it is possible that Ohio will not be left out entirely in the cold, because it is within the realms of possibility that a former illustrious son of that State, but who is to-day an illustrious adopted son of the State of Oklahoma, and who occupies the highest office in the gift of the people of that State, may be our next President. [Applause.] But in any event, Mr. Chairman, it seems to me that the delegation in this House from Ohio should be interested in Oklahoma's welfare.

Then, another State which has furnished us with Presidents and who liked it so well wants to do so again, and which already has one avowed candidate for the Presidency—and I have not any doubt that many others who are hoping and daily praying that the Presidential lightning will strike them—is the State of Indiana. She has sent 34,000 of her people to Oklahoma. And another State which has Presidential aspirations and which would like to see her illustrious son promoted from the speakership of the greatest legislative assembly in the world to the White House, the State of Illinois, has increased Oklahoma's population by 57,000.

Take the rock-ribbed Republican State of Iowa, one of the finest States in the Union—my native State, and I am proud of it, and I hope she is, too—the State of Iowa has sent 63,000 of her people to Oklahoma. And she has done so without in any way diminishing her Republican majority. But as there is a silver lining to every cloud, so there is cause for rejoicing in this instance because of the fact that the Iowa contingent in Oklahoma, in addition to being mighty fine citizens, have, since they have located in the land of sunshine and of balmy breezes, seen the error of their former political ways and are to-day voting the Democratic ticket. [Applause on the Democratic side.]

Take the State of Kansas, which has, as a matter of fact, more Democrats and Populists who regularly vote the Republican ticket than any other State in the Union, Kansas certainly

must have a friendly feeling toward Oklahoma, because there are to-day 112,000 former Kansans living in the Land of the Fair God.

Some people may not understand why the grand old Commonwealth of Missouri took a backward step in 1904 when she cast her electoral vote for a Republican for President. My eloquent friend from Missouri [CHAMP CLARK] gave one reason why that was so here the other day, but I want to give another reason, and that is that 120,000 Missouri Democrats are to-day living in Oklahoma.

The grand old State of Texas, an empire so far as her territory is concerned, but the greatest democracy in our country so far as her laws and the sentiments of her people are concerned [applause on the Democratic side]—the grand old State of Texas heads the list, and has sent to Oklahoma 153,000 of her sturdy sons and beautiful daughters.

I have here the statistics showing the immigration from the various States to Oklahoma, computed from the last census, and as the same is too long to read I ask that it be incorporated with my remarks in the Record:

Ohio, 28,000.	Oregon, 510.
Indiana, 34,000.	Pennsylvania, 11,200.
Illinois, 57,000.	Rhode Island, 115.
Iowa, 63,000.	South Carolina, 3,200.
Kansas, 112,000.	South Dakota, 880.
Missouri, 128,000.	Tennessee, 48,000.
Texas, 153,000.	Utah, 140.
Kentucky, 32,000.	Virginia, 9,600.
Louisiana, 5,100.	Washington, 430.
Maine, 600.	West Virginia, 3,200.
Maryland, 1,120.	Wisconsin, 4,900.
Massachusetts, 800.	Wyoming, 200.
Michigan, 4,800.	Alabama, 8,480.
Mississippi, 22,400.	Arizona, 400.
Montana, 222.	Arkansas, 99,200.
Nebraska, 16,000.	California, 1,150.
Nevada, 48.	Colorado, 2,500.
New Hampshire, 280.	Connecticut, 380.
New Jersey, 830.	District of Columbia, 112.
New York, 7,100.	Florida, 575.
North Carolina, 8,132.	Georgia, 18,000.
North Dakota, 430.	Idaho, 160.

The great majority of those who have come and settled within our State are young people. They have gone there for the purpose of building for themselves the grandest institution in the world—an American home. We are absolutely a State not only of home builders but of home owners. There are more people living in Oklahoma to-day, according to the population, who own their own homes than in any State in the Union. And then another thing that comes to my mind. It will not be denied, I believe, but that the high type of citizenship which is peculiar to our country is due to a great extent to the infusion of blood that has taken place because of the immigration to our shores of the people of all nations, and the infusion of blood which will take place in Oklahoma is bound to produce a citizenship that will cause her to assume the first rank in the sisterhood of States.

Now, as to our resources, briefly. They in variety excel any other State. It has been said, and truly, too, that if a wall should be built along the borders of Oklahoma and so constructed as to absolutely shut off all ingress or egress, our people would not want a single article of convenience or comfort that we could not produce. Our farms produce in abundance everything that grows out of the ground. We pave our city streets with our own asphalt, and we have enough to supply the world. We build our public buildings and residences out of our own marble, granite, brick, and lumber, and cement them with our own cement, of which we have an inexhaustible supply. We cook our food, heat our homes, and run our factories with natural gas, which is supplied by a thousand wells. We have one of the greatest, if not the greatest, oil fields in the world to-day. We produce a fine quality of coal in abundance, and our coal industry, the same as our other industries, has scarcely begun to be developed. We have a large supply of iron and other ores. In fact, so wonderful are our resources, if I should proceed to give them in detail at greater length I fear I might establish a reputation for truth and veracity that might not be desirable.

We have heard it said that God, after the creation of man, looked upon his handiwork and said it was good, but not very good, and then, profiting by His experience, He created another being who in face, form, and beauty was far superior to his first creation, man; and this second being he called woman, because she came after man, and, incidentally speaking, I have heard it said that she has been after him ever since [laughter]; but, however that may be, Mr. Chairman, as I have viewed the wondrous glories of my State, I have often thought that our Creator after he had fashioned other portions of our country for the habitation of man and stored the warehouses of nature for his comfort and convenience had not been entirely satisfied

with his handiwork, and desiring a perfect home for his children He bestowed all of his wisdom and power in the creation of that portion of our country now called Oklahoma [Applause], but which, on account of her wonderful beauty, surpassing, as she does, all other States as woman surpasses man, is now coming to be everywhere known as the "Land of the Fair God," as the greatest and grandest Commonwealth ever created of God to bless and prosper mankind.

Now, one more thought, and that is this. Oklahoma has attained to her position to-day practically without outside help or influence. One-half of our State until this session has never been represented on this floor in any way. The other half only by a Delegate, and consequently Oklahoma has not been the beneficiary of much-needed legislation and appropriations which other States have enjoyed. Oklahoma should have been a State ten years ago, and it was not her fault that she was not, either, and I believe many within the sound of my voice to-day will agree with me in this proposition. In any event, but for this fact she would have been enjoying all those advantages, and so I say justice and equity surely demand that she be not further denied her just claims and demands.

I apprehend that the most important legislation we will ask for at this session will be that the restriction against the sale of Indian lands be removed, and that we be allowed liberal appropriations for public buildings.

I do not intend at this time to enter into a discussion of either of these questions, as such discussion will be more proper before the committees or after bills have been reported. But I do want to say that in asking for the removal of restrictions we are asking it just as much in the interest of the Indian as of the white man. Anyone can readily understand that such legislation will be beneficial to our State, and those who are acquainted with the conditions which surround the Indians in Oklahoma must agree that such legislation will be beneficial to them. A child that has always been dependent on us for its care will never grow to the stature of a man. Any person, whether Indian or white man, who is always treated as a child will always be a child. There is no question possible but that the Indians of our country at times have not been treated as they should have been; but I firmly believe that they have received no treatment which has resulted in greater injury to them than this policy that they are but children and should be treated as such.

In addition, you can not rightfully place all Indians in one class and label them incompetent any more than you can all white men. I believe no one will say, for instance, that the senior Senator from Oklahoma, a man of splendid business ability, of classic education, and superior mental attainments, or my colleague from the Fourth District [Mr. CARTER], who is his equal in every respect, are incompetent to manage and transact their own business.

And yet they are so decreed to be, to a great extent, by the law of our land, and there are thousands of other Indians in Oklahoma fully as competent to transact their business who are denied their rights as citizens in this regard.

Now, all Oklahoma asks is that you consider this question from every standpoint; that you consider it from the standpoint of the white man, and also from the standpoint of the Indian, and if you do we are convinced that you will say that those of our citizens who went to Oklahoma at the opening and who by their energy, their industry, and their frugality have caused that old wilderness to blossom like the rose—

Mr. DRISCOLL. Will the gentleman allow me to ask him a question?

Mr. FULTON. Yes.

Mr. DRISCOLL. From the way the Indians have developed down there, I assume that a great many of them are not in tribal relations. I should like to know whether the great majority of them still live in tribal relations?

Mr. FULTON. I am unable to answer the question in the absolute figures. In the Five Civilized Tribes there are no tribal relations, and the majority of the Indians do not maintain tribal relations to-day. They are all citizens of the United States. They have exactly the same rights and powers as every other citizen, and it raises a very nice legal question which, however, I do not care to discuss at this time.

Mr. DRISCOLL. May I ask another question?

Mr. FULTON. Yes.

Mr. DRISCOLL. Are many of the members of these Five Civilized Tribes pure Indians, or are most of them mixed?

Mr. FULTON. I am not as well acquainted with the Five Civilized Tribes, because they are outside of my district, as I am with the others, but I should judge a majority of them are mixed.

Mr. DRISCOLL. We have in our county a tribe of Indians

who are very largely pure Indians, and I have visited another tribe up in Canada, of whom I think none were pure Indians, but all were mixed or very largely mixed, and predominating in white blood. Is that true of the Five Tribes down there?

Mr. FULTON. I should say that the great majority of the members of the so-called "Five Civilized Tribes" are of mixed blood.

Now, Mr. Chairman, I was speaking in the interest of the white citizens, that they should not be compelled, after having increased the value of the lands of their Indian brothers, to bear the entire burden of taxation. Then I think, on the other hand, if you will look into this question you will see that in justice to the Indian himself the swaddling clothes which have bound him in his youth, and which have so retarded his growth and development, should be removed, and that he should be permitted to show himself as he is, every inch of him a man.

Just one other point. Although my time is not quite up, I see that I have taken up too much time on Oklahoma; but there is one other thought that comes to my mind in regard to public buildings. I just want to give you an illustration, so that when these matters come up, although I know you are posted now, I may present some ideas that you have not heard of. I do not know as the committee has decided whether or not any public-building bills shall be passed, but I simply call your attention to the conditions as they exist in my own district. My district numbers fifteen counties, with a total population, as shown by the last census, taken in July or August of last year, of over 280,000, and there is not a single Federal building in the entire district. Oklahoma City, which is the metropolis, not only of the State but of the entire Southwest, is in this district. Now, we are all proud of Oklahoma City. There is not a person who lives in the State of Oklahoma but is ready and willing to bear witness to our wonderful city. She is wonderful in many respects. She bears the distinction of being the largest city in the world for her age, being only 18 years old and having a population of 40,000—that is, that was the population she had when I left there two months ago. She is growing at the rate of a thousand a month, and I think I am safe in saying that her population to-day is at least 42,000.

Now, she has other things to recommend her beside her mere size. She is not of a mushroom growth. She is solidly and substantially built. Our citizens have contributed millions of dollars in public improvements, and neither is she a boom city in any sense of the word. Her growth has been rapid, yet, as a matter of fact, it has not been as rapid as that of the surrounding country. So it is a conservative estimate that in the next eight or ten years, under ordinary conditions, and provided that the present brand of prosperity does not continue too long, the population of Oklahoma City will be from 125,000 to 150,000 people.

Now, I want to call your attention to a few figures in support of my statement that Oklahoma City has been substantially builded. We have 40 miles of paved streets, paved with asphalt; we have 150 miles of cement and brick sidewalk; we have 53 miles of sanitary sewers; we have 26 miles of storm sewers; we have 50 miles of water main. We have 36 miles of street railways and an interurban line in course of construction to Guthrie; we have a municipal waterworks system valued at \$565,000, with a capacity of 12,000,000 gallons. We have an electric-light plant, furnishing power for 700 users and for 500 arcs and 35,000 incandescent lights. We have a telephone system, with 7,000 connections; we have 10 banks, with total resources of \$3,573,195. We have the only packing house in the State and another one coming to us. Our flour mills have a capacity of 1,020,000 barrels. We have a \$125,000 court-house and a \$30,000 city hall and a \$50,000 public library. We also have a convention hall with a seating capacity of 5,000, and I want to remark that we are fast becoming the convention city in the Southwest. We have 12 public school buildings, valued at \$650,000, one university, two colleges, one business college, 26 churches, with property valued at \$1,000,000. We have 89 manufacturing establishments, employing 3,405 laborers. We have 62 jobbing houses, employing 1,112 people. We have four trunk railways, reaching 75 per cent of the trade without transfer. We have 4 daily and 17 weekly and monthly papers. Our post-office receipts for 1907 were \$181,234, a gain over 1906 of \$39,725, and over 1900 of \$150,589.

I might state, in addition, that the Federal court of the western district of Oklahoma sits at Oklahoma City, and that we are greatly in need of a building for court purposes. A site for a post-office and court building has been secured, so all that we now need is an appropriation for a building which, we trust, will be given us at this session.

Now, Oklahoma City is not the only city in my district which is in need of and entitled to appropriations for a public building.

El Reno is the next city in size in the district, having a population of over 6,000 and growing rapidly. El Reno is one of the division points of the Rock Island Railroad. The post-office receipts last year were \$18,437.20, a gain of 16 per cent over 1906. The following are some of the industries of the city: A vitrified brick plant with capacity of 50,000 per day; an artificial stone plant; planing mill; washing-machine manufactory; china-ware plant costing \$150,000; one iron foundry and two machine shops; one canning factory, with capacity of 40,000 cans per day; one automobile manufactory; cotton compress and cotton gin; flour mills having capacity of 2,000 barrels per day; electric-light plant costing \$150,000. As evidence that the city is growing rapidly at this time there is now under construction, Masonic hall to cost \$35,000; five-story hotel to cost \$80,000; 5 miles of paved street; 6 miles of street railway; city hall to cost \$25,000; factory for manufacture of porcelain ware to cost \$100,000; extension of sewerage mains to cost \$25,000.

Anadarko, Alva, and Woodward are three more cities which are rapidly assuming the proportions of real cities and which are greatly in need of better and more adequate post-office facilities. I do not have with me at this time the statistics relative to these cities, but do know them to be cities of solid and substantial growth. In fact, there are few, if any, of the cities in Oklahoma but which are behind instead of ahead of the country surrounding them. That each of these cities will have a population of at least 5,000 in the next two or three years can not be doubted.

Now, I hope Members will not forget these statistics I have quoted, and I trust when it comes to legislation that you are not going to forget those who only a short time ago were your constituents. I believe it is true that there is not a single district in our country to-day but has within its borders more than one person who is interested in Oklahoma's welfare because of a father or a son or a daughter or a brother or a sister or some loved one who is residing there; and so when I plead for Oklahoma I believe I can say in truth and in fact that I am only voicing the sentiments of the entire United States. [Applause.]

Mr. TAWNEY. Mr. Chairman, there is no one on this side of the House who has asked for time.

Mr. LIVINGSTON. May I suggest to the chairman of the committee that we rise at half past 4?

Mr. TAWNEY. Yes.

Mr. LIVINGSTON. Then, Mr. Chairman, at half past 4 I shall move that the committee rise. I now yield five minutes to the gentleman from Arkansas [Mr. ROBINSON].

Mr. ROBINSON. Mr. Chairman, I did not expect to make any remarks on this occasion, but I am prompted to do so solely by the opening sentence of the distinguished gentleman who has just taken his seat. The Chairman, you will remember, made the singular mistake in recognizing the gentleman from Oklahoma as "the gentleman from Arkansas." Thereupon the gentleman from Oklahoma, with characteristic kindness and consideration, gave vent to the expression which I will attempt to quote, and if I do not quote it accurately, it is solely because of the astonishing announcement which amazed me for the time being. He said he had had many vicious things said about him since he had been on earth, but the worst thing ever said about him was that he was from Arkansas.

I want to say, Mr. Chairman and gentlemen, that we have just listened to a very remarkable speech booming Oklahoma, and I want to say to you now that the most remarkable feature of Oklahoma is the distinguished gentleman who has just taken his seat. Mr. Chairman, since I became a Member of this body I have been gratified at that sense of friendship that exists among the Members from different parts of this country. My personal associations and friendships have not been limited to any section or immediate locality. They have extended into every part of the country. This is the first time that I have ever heard uttered on the floor of this House a sentiment that would intentionally belittle any State in this Union. Why, when the gentleman spoke to you about how great Oklahoma was he told what Kansas, Illinois, and other sister States had contributed to what I admit to be one of the most remarkable developments that has ever been witnessed in this country, but the gentleman did not tell you that Arkansas sent more citizens into Oklahoma than any other State in this Union. Of course it is true there are quite a number that sheriffs are still hunting for—

Mr. OLLIE M. JAMES. May I interrupt the gentleman? Were you on the floor when reference was made to Arkansas?

Mr. ROBINSON. I was.

Mr. OLLIE M. JAMES. I thought the gentleman from Oklahoma made that reference merely in a spirit of fun.

Mr. ROBINSON. Mr. Chairman, there are two kinds of jokes. One of them everybody enjoys and the other nobody enjoys except the gentleman who perpetrates it. I want to say to the gentleman from Oklahoma and to this committee that while I am a Member of this body a reflection of that sort can not be made upon my State and my people without my rising in my seat to resent it in proper parliamentary language. [Applause.] If the time has come when the gentleman from Oklahoma or anyone else can reflect upon a great State, a great and brave people, and then hide behind the cover of a joke, well and good; let them do so. Sir, I want to tell him we have one of the greatest States in this Union, and everybody has come to know it except the gentleman from Oklahoma. Why, we can beat him any time when he talks about men, and, as to the ladies, everybody knows that we have got him beaten a whole city block. Why, Mr. Chairman, we produce the finest apples in the world, and our mines and our forests yield in remarkable abundance, and it is a well-known fact that her growth has been unparalleled during the last ten years. Why, Mr. Chairman, I am not angry with the gentleman from Oklahoma. When he tells the worst thing ever said about him was that he came from Arkansas, I want to tell him in reply, in the same spirit in which he uttered it, that about the worst thing ever said about Arkansas was that the gentleman from Oklahoma came from Arkansas. [Laughter and applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. BELL of Georgia. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes in which to conclude his remarks.

The CHAIRMAN. The time is in control of the gentleman from Georgia [Mr. LIVINGSTON].

Mr. LIVINGSTON. I yield to the gentleman two minutes, Mr. Chairman.

Mr. ROBINSON. Mr. Chairman, when I contemplate the remarks made by the gentleman from Oklahoma I think of an instance that happened but a short time ago in the great political battle that came on down there. We from old Arkansas went over to help fight the gentleman's battle. I see men on the floor of this House who know that that statement is true, and in every issue in her progress and development Arkansas has gone side by side with the Indian Territory and with Oklahoma. [Applause.] When I approached the line of the State of Oklahoma recently, I saw a gigantic object looming up on the horizon. It flashed like the midday sun. I thought it must be a statue to liberty that the people of Oklahoma had erected since the adoption of their constitution, one of the greatest that has ever been adopted by any State in this Union. When I approached within about 20 miles of the State line, I was amazed and disappointed to find that great object was not a statue to liberty, it was only the gentleman from Oklahoma's opinion of himself strutting around the country over there. [Applause.] I thank you, Mr. Chairman.

Mr. FULTON. Mr. Chairman, I would like to say just a word.

Mr. LIVINGSTON. I will yield two minutes to the gentleman from Oklahoma.

Mr. FULTON. I regret very much, Mr. Chairman, that the gentleman from Arkansas [Mr. ROBINSON] has taken occasion to express himself as he has. I can not help but feel convinced that every Member who was present knew and understood that I was trying to say what I did in the best fun in the world, and I simply—

Mr. ROBINSON. Will the gentleman yield to a question?

Mr. FULTON. Certainly.

Mr. ROBINSON. Does the gentleman think that would look in the CONGRESSIONAL RECORD like a very funny joke?

Mr. FULTON. I think that the ordinary person who reads the CONGRESSIONAL RECORD—

Mr. BONYNGE. The whole thing is a joke. [Laughter.]

Mr. FULTON. But what I rose for, Mr. Chairman, was simply to say that I had no intention of hurting the feelings of any person. What I said was said in the utmost good humor; and inasmuch as it does not show in the RECORD that it was said in good humor, and without any intention of hurting the feelings of anyone, I say it now so that it shall appear in the RECORD. Why, I certainly would be an ingrate if I would say a word derogatory to people from Arkansas. I did not read it, because the list was so long, but I will say that we have nearly 100,000 people living in Oklahoma who came from that great State. I was not slandering anyone, and the gentleman knows that I am not the first person who has tried to be funny at the expense of Arkansas.

Mr. ROBINSON. I hope the gentleman will be the last on the floor of this House to do so.

Mr. FULTON. That may be true. But, Mr. Chairman, I

made my statement, and I am certain that all who were present here this afternoon understood it as I said it, and I think those who read it will so understand it. [Applause.]

Mr. LIVINGSTON. Mr. Chairman, I had promised time to the gentleman from Missouri [Mr. SHACKLEFORD], but as I do not see him present, I yield to the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Chairman, I desire to present my views regarding the present financial crisis and discuss briefly some of the remedies suggested as a means of relief. I am not a member of the Finance Committee, neither do I pretend to be authority on the subject of finance, but I have had some experience in banking, and I believe I have considerable knowledge upon this question. While, as I stated, my business heretofore has been that of banking, I am not here as the representative of the banking interests, but as the representative of 300,000 of as intelligent, as progressive, and patriotic a people as can be found anywhere on the face of the earth. I live in a large agricultural and manufacturing district, where the success of the banks depend entirely upon the success of the farmer and manufacturer. I am therefore schooled in honest banking and know but little about the methods employed by the frenzied financiers who operate on Wall street. I have no patience with and shall lend no support to any bill the purpose of which is to give to the banks, either national, State, or private, any special privileges designed to aid and benefit the banks at the expense of the people.

On the other hand, Mr. Chairman, I believe we should enact such legislation as will strengthen the banks and provide for the people safe depositories for their money. We must have banks. The business of the country could not be carried on without them; but the laws under which they operate should be so stringent that it would be impossible for a depositor to lose a single penny.

We are just now going through one of the worst panics in the history of our country. Business is practically suspended everywhere. The motive power behind the wheels of industry has been temporarily destroyed; factories are closed; millions of men out of employment; a feeling of uncertainty and despair is sweeping the country, and the people are looking to Congress for relief. Many bills are being presented in both the House and the Senate seeking to increase our circulating medium by Members who in 1896 contended that we needed no greater volume of money to transact the business of the country. Personally I do not believe any change in our financial system will be within itself sufficient to relieve the present financial condition. In my humble judgment, it will require legislation that will prevent a few Wall street gamblers from continually robbing and plundering the people through stock-gambling operations.

Now, Mr. Chairman, before entering into a discussion of the merits of this question, let us seek and look into the causes of the present financial crisis. This panic came on us at a time of unprecedented prosperity. God had permitted the sunshine and the rain to fall upon us, and the earth had brought forth bountiful crops. The products of the farm brought extremely high prices. The agriculturists were more prosperous than they had ever been before. Improvements on the farms in the way of new houses, barns, and fences created and furnished a market for the products of the forests and factories. Our great mills and manufacturing establishments were running day and night, with orders six months in advance; labor was universally employed at moderate wages; the banks throughout the country were bursting with deposits; our splendid railroad system was unable to handle the freight offered for transportation; in fact, we were in the midst of the most universal prosperity the world had ever known.

We felt assured, Mr. Chairman, that a country so blessed by nature, a country that had already wrought so marvelously, could not halt for a moment in its forward movement. With the mountains of the South and the West bursting with mineral wealth; with a soil whose fertility can not be excelled, of every variety known, capable of doubling its entire output without an increase of cultivated acreage merely by the improved methods now being adopted; with the Great Lakes on the north, the Atlantic on the east, the Gulf on the south, and the Pacific on the west; with the great Mississippi and its tributaries draining the very heart of the richest valley of earth, looking to Europe on the one side and to Asia on the other, our land had before it the promise of an advancement so stupendous as to dwarf into insignificance all that had heretofore been accomplished. [Applause.]

With such a future before us, with not a cloud in the sky to throw a shadow over our magnificent prospects, at a time when all the blessings of nature seemed to smile upon us, we were

hurled into the chasms of one of the worst panics our nation ever experienced. The first notice we had of an impending storm came from Wall street. It was reported that some speculative corner in copper stock had collapsed, and immediately a terrific storm of distrust and despair swept over the country. The holders of watered stocks were panic-stricken; depositors in banks and trust companies were frightened lest they could not get their money, and a general lack of confidence broke upon the land. Banks and trust companies of New York closed their doors in the face of their depositors and refused them their money.

Two of the leading financiers on Wall street committed suicide. In the meantime the Western banks rested easy, knowing they had large deposits, and also large reserves to meet the demands of their depositors. They said, let the gamblers of Wall street speculate and commit suicide if they like; that will not disturb us. We have our reserve deposited principally with Western reserve banks, and if we need our money we can get it. But the storm continued in New York, and finally the Western banks were notified by the correspondents in Western reserve cities that New York had tied up the currency, and they could not let them have a dollar of their own money. This was the climax that brought on the most unfortunate and the most disastrous financial panic our nation has ever experienced. There was no money to handle the business of the country, and the people looked with suspicion on checks and drafts issued in payment of obligations. The products of the farm decreased in value nearly 50 per cent, and it is already estimated that the loss to the agriculturists of the country has amounted to more than \$10,000,000. The manufacturing industries were unable to procure money to pay labor, and more than a million men were out of employment in less than a month. Orders placed with our manufacturers were canceled, and this forced the factories to cancel orders for material, altogether resulting in general stagnation and suspension. Banks in many places were forced to make limited payment on accounts, fixing a sum of \$10, \$25, or \$50 as the limit they would pay in any one day. This created fear and distrust among depositors, and made the life of bankers most miserable. In the larger cities bankers adopted and put in circulation what is known as "clearing-house certificates," a form of money authorized by no law in existence. It is estimated that during the month of December, 1907, there were in circulation more than \$50,000,000 of clearing-house certificates. These certificates would circulate locally, but could not be used away from home. As usual, the Wall street bankers whispered in the ear of Mr. Cortelyou, Secretary of the Treasury, and millions of Government money were dumped into New York banks to save them from everlasting ruin. This, however, was not sufficient to relieve the situation, and the Secretary of the Treasury, for the benefit of Wall street, gave notice that he would offer for sale \$50,000,000 of Panama Canal bonds and \$100,000,000 of 3 per cent certificates of indebtedness.

Notices referred to read as follows:

INVITING PROPOSALS FOR PANAMA CANAL BONDS.

1907. Department circular 68. Division of Loans and Currency.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, November 18, 1907.

The Secretary of the Treasury offers to the public \$50,000,000 of the bonds of the Panama Canal loan authorized by section 8 of the act approved June 28, 1902, and supplemented by section 1 of the act of December 21, 1905. Both acts are quoted below.

The bonds will bear interest at the rate of 2 per cent per annum; will be dated August 1, 1906, and the interest will be paid quarterly on the 1st days of November, February, May, and August. They will be issued in denominations of \$20, \$100, and \$1,000 of coupon bonds, and of \$20, \$100, \$1,000, and \$10,000 of registered bonds. They will be redeemable in United States gold coin, at the pleasure of the United States, after ten years from the date of their issue, and will be payable thirty years from such date. They will be exempt from all taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority. They will be available to national banks as security for circulating notes upon the same terms as the 2 per cent consols of 1930, to wit, the semiannual tax upon circulating notes, based upon the said bonds as security, will be one-fourth of 1 per cent. They will be receivable, like all other United States bonds, as security for public deposits in national banks.

The law forbids their sale at less than par and provides that all citizens of the United States shall have equal opportunity to subscribe therefor.

In pursuance of the above announcement the Secretary invites bids for the bonds heretofore described, which must be submitted to this Department on or before the 30th of November, 1907. Each bid should state the amount of bonds desired by the subscriber, whether coupon or registered, the price he is willing to pay, and the place where he desires to make payment—whether at the Treasury of the United States or at the office of some one of the assistant treasurers at New York, Baltimore, Philadelphia, Boston, Chicago, St. Louis, Cincinnati, New Orleans, or San Francisco. All bids should be addressed to the Secretary of the Treasury, Division of Loans and Currency, and the envelopes inclosing them should be plainly marked "Bids for Panama Canal bonds."

Upon the receipt and classification of the bids hereby invited, the successful bidders will be advised of the acceptance of their bids, and they will be instructed as to the date upon which payment is desired to be made at the Treasury or some subtreasury of the United States.

In considering bids, the bidders offering the highest prices will receive the first allotment. Of two or more bidders offering the same price, those asking for the smaller amounts of bonds will receive priority in allotment. The Department reserves the right to permit bidders offering the highest prices to increase the amount of their purchases.

For the sake of uniformity the bonds will be dated August 1, 1906, which is the date of the outstanding Panama Canal bonds, but interest on the bonds of this issue will begin November 1, 1907, and bidders will be required to pay accrued interest on their bonds from that date to the date of payment.

The Department also reserves the right to reject any or all bids, if deemed to be to the interests of the United States so to do.

The bonds will be ready for delivery upon receipt of payment therefor. Prospective bidders desiring information not contained in this circular may address the Secretary of the Treasury, Division of Loans and Currency, Washington, D. C., the assistant treasurers at Chicago, St. Louis, New Orleans, or San Francisco.

GEORGE B. COLTELYOU, *Secretary.*

SUBSCRIPTIONS TO 3 PER CENT CERTIFICATES OF INDEBTEDNESS.

1907. Department circular 67. Division of Loans and Currency.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, November 18, 1907.

The Secretary of the Treasury offers to the public at par and accrued interest from November 20, 1907, \$100,000,000 of the certificates of indebtedness authorized by section 32 of the act of June 13, 1898.

The certificates will be issued in denominations of \$50. They will be payable to bearer, will be dated November 20, 1907, and will bear interest at the rate of 3 per cent per annum, payable with the principal sum on and after November 20, 1908, on presentation of the certificates for redemption at the office of the Secretary of the Treasury, division of loans and currency.

Subscriptions will be received by the Secretary of the Treasury direct or through the Treasurer of the United States and the assistant treasurers located at New York, Baltimore, Philadelphia, Boston, Chicago, St. Louis, Cincinnati, New Orleans, and San Francisco, beginning on November 18 and continuing at the discretion of the Secretary of the Treasury. In order that the certificates may be properly distributed throughout the country, \$50,000,000 will be allotted by the Secretary in his discretion upon offers of subscriptions addressed to him, and the remaining \$50,000,000 will be allotted through the several assistant treasurers authorized to receive subscriptions at the following points: San Francisco, New Orleans, St. Louis, Chicago, Cincinnati, Boston, Baltimore, Philadelphia, and New York, and through the Treasurer of the United States at Washington.

Each subscriber to whom certificates have been allotted should pay in at the subtreasury nearest the point of subscription, on or before December 1, 1907, the face value of the amount of certificates named in the allotment, together with accrued interest at the rate of 3 per cent per annum from November 20, 1907, to the date of payment.

Allotments will be made as rapidly as possible, and for such subscriptions as are made immediately the Secretary of the Treasury is prepared to deliver temporary receipts, bearing interest from November 20, 1907, pending the delivery of the \$50 engraved certificates.

GEORGE B. COLTELYOU, *Secretary.*

Now, Mr. Chairman, the point I want to make in connection with this transaction is, that the authority of the Secretary of the Treasury for the issue and sale of these bonds and certificates is as questionable as the right of the New York banks to issue clearing-house certificates to be used for circulation. The law under which the Secretary of the Treasury proceeded to issue to sell Panama bonds reads as follows:

SEC. 8. That the Secretary of the Treasury is hereby authorized to borrow on the credit of the United States from time to time, as the proceeds may be required to defray expenditures authorized by this act (such proceeds when received to be used only for the purpose of meeting such expenditures), the sum of \$130,000,000, or so much thereof as may be necessary, and to prepare and issue therefor coupon or registered bonds of the United States in such form as he may prescribe, and in denominations of \$20 or some multiple of that sum, redeemable in gold coin at the pleasure of the United States after ten years from the date of their issue, and payable thirty days from such date, and bearing interest payable quarterly in gold coin at the rate of 2 per cent per annum; and the bonds herein authorized shall be exempt from all taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority: *Provided*, That said bonds may be disposed of by the Secretary of the Treasury at not less than par, under such regulations as he may prescribe, giving to all citizens of the United States an equal opportunity to subscribe therefor, but no commissions shall be allowed or paid thereon; and a sum not exceeding one-tenth of 1 per cent of the amount of the bonds herein authorized is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to pay the expense of preparing, advertising, and issuing the same.

Approved, June 28, 1902.

This, Mr. Chairman, was an act passed for the construction of the Panama Canal, and gave the Secretary of the Treasury authority to sell bonds to meet expenditures authorized by said act, but did not give the right to sell bonds for any other purpose. At the time of this issue and sale the proceeds derived from the sale of these bonds were not needed or used in the construction of the Panama Canal, but were used to increase the deposits of the New York banks, on which the Government received no interest.

Mr. FORNES. Mr. Chairman, the gentleman states that the Secretary of the Treasury sold \$100,000,000 worth of 3 per cent bonds for the purpose of relieving the money market. Is not that a mistake?

Mr. ADAIR. I said that he advertised for sale a hundred million dollars of 3 per cent certificates.

Mr. FORNES. I beg the gentleman's pardon, then. I understood him to say that he sold them.

Mr. ADAIR. No; I did not say that he had sold them.

The law under which the Secretary of the Treasury issued and offered for sale the 3 per cent certificates can be found in "An act to provide ways and means to meet war expenditures, and for other purposes," approved June 13, 1898. Section 32 of that act reads as follows:

SEC. 32. That the Secretary of the Treasury is authorized to borrow from time to time, at a rate of interest not exceeding 3 per cent per annum, such sum or sums as, in his judgment, may be necessary to meet public expenditures, and to issue therefor certificates of indebtedness in such form as he may prescribe and in denominations of \$50 or some multiple of that sum; and each certificate so issued shall be payable, with the interest accrued thereon, at such time, not exceeding one year from the date of its issue, as the Secretary of the Treasury may prescribe: *Provided*, That the amount of such certificates outstanding shall at no time exceed \$100,000,000; and the provisions of existing law respecting counterfeiting and other fraudulent practices are hereby extended to the bonds and certificates of indebtedness authorized by this act.

It is quite evident, Mr. Chairman, that in each of these authorizations to increase the public debt it is specifically provided that the money derived shall be used only for the purposes set out in the laws above quoted. Under section 32 of the act of June 13, 1898, the proceeds derived from the sale of the 3 per cent certificates could only be used to meet public expenditures. Yet at the time of this issue and sale our Treasury was filled with money and there was no necessity for the sale of \$100,000,000 of 3 per cent certificates to meet public expenditures. Therefore I contend that the right of the Secretary of the Treasury to issue and sell these bonds and certificates was as questionable as the right of the banks to issue and circulate clearing-house certificates. But, Mr. Chairman, the right of the Secretary of the Treasury to sell these bonds and certificates is not the question I arose to discuss, but I merely mention this to show what has already been done to relieve the present financial stringency.

Now, Mr. Chairman, I want to direct my discussion directly to the causes of the present panic. We all admit and agree that confidence has fled, progress falters, want is heard, and prosperity paralyzed. Why this condition? Our store-houses were filled with grain, our banks with money, the fields had brought forth bountiful crops, the factories were running day and night, labor was employed, and there was absolutely no just reason why prosperity should have been interrupted. It was first urged that the present condition was brought on by an increased volume of business and an insufficient supply of actual money to meet increased demands. I do not accept this as the cause of the panic, and while I believe in a large per capita of circulation and an elastic system of currency, yet I also believe this panic would be upon us had our per capita of circulation been 50 per cent greater than it is now. In short, I do not believe our present financial crisis is due to our financial system, but can be traced to a lack of confidence in our business fabric, brought about by disclosures of dishonesty, corruption, and crookedness in many of our great corporations. We all remember the insurance investigation made not long ago, which disclosed extravagance, corruption, unlawfulness, and frenzied financiering never dreamed of. We have also been enlightened as to the methods of the Standard Oil Company, the steel trust, and other gigantic corporations, which have built up colossal fortunes off the sweat and toll of the plundered millions. We have all read of the methods employed in the overcapitalization of railroads, corporations, and industrial enterprises. Millions of stocks and bonds have been issued, representing more water than actual investment, and unloaded on innocent purchasers.

In many cases, through false entries and juggling of figures, these stocks were made to pay handsome dividends, when, in fact, the earnings did not warrant it. When these facts reached the ears of foreign investors who have large holdings in our railroad stocks and bonds they became alarmed. They immediately began an investigation to ascertain the real value of their investments. They ask themselves: "What do we really know or not know about the property represented by our stocks and bonds? Suppose a commission is appointed and appraises the railroads which secure our investments at, say, \$200,000,000, while it is stocked and bonded at \$600,000,000, and on this amount has paid regular dividends and interest? In such a case it would be three times more than the Government would allow as a fair rate and would cut the dividends and interest down in proportion. How do we know whether our stocks and bonds are not of that class? And if so, what are our stocks and bonds worth?" During the past year millions of these stocks and bonds were sold in New York, and as the offerings continued the price went lower and lower until some were sold at 50 cents on the dollar. This, as a matter of course, drained

our money supply. Instead of placing our railroad stocks and bonds with foreign investors, which had heretofore been readily done, at a reasonable rate of interest, we were compelled to depend entirely upon home investors, and even those held in Europe were sent here to be sold. This condition naturally embarrassed the railroads, as the large output of the farms and factories required enormous extension of lines and equipment. The railroads not being able to raise funds by the sale of stocks and bonds in many instances mortgaged their rolling stock, and, when this was not sufficient, they offered for sale short-time railroad notes bearing a high rate of interest.

I am reliably informed that over \$400,000,000 worth of this class of securities were sold, and that practically all of these notes drew interest at the rate of 8 per cent. The fact that the strongest railroads in the country were paying this high rate of interest frightened and aroused the suspicion of bankers, capitalists, and depositors. They immediately began to inquire why it was that the most powerful railroad interests in the nation were unable to borrow money without offering such an unusual rate of interest. The banks, the capitalists, and the investors not only refused to buy any more railroad securities, but offered for sale on the market those they already held. The seriousness of the situation continued to grow and was augmented by suggestion and suspicion, until finally Heinze's copper corner burst, which caused the Knickerbocker Trust Company to close its doors and other banks and trust companies to follow suit. Many of the banks on Wall street had loaned vast sums of money on watered stocks and bonds, and when their value decreased until they were no longer security for the money borrowed, the panic was on in earnest. Therefore, Mr. Chairman, I contend that the financial panic was not caused by a shortage of money, but was the direct result of the dishonest methods employed by the stock gamblers of Wall street. Many Republicans are now blaming the President for bringing on this panic.

I do not believe he should be held directly responsible, although he has turned on the light showing the rottenness and crookedness of our railroad and trust corporations. The real responsibility resting on the Republican party lies in the fact that they have been in power during all these years, and have failed to enact laws making it impossible for the stock gamblers of Wall street to rob and plunder the people. I do not have any desire to inject politics into this discussion, for I believe now is the time for us to show our patriotism and loyalty to our country by discarding our politics and standing together in the enactment of such legislation as will restore confidence, start the wheels of industry, and prevent a recurrence of this most unfortunate panic. [Applause.]

Now, Mr. Chairman, having stated my opinion as to the cause of the present financial crisis, I now desire to offer some suggestions as to the remedy. Numerous bills have been introduced by many Members of both the House and Senate, offering a panacea for the present situation by changing our financial system, some of which contain much merit, while others are intended to meet the demands and wishes of Wall street bankers. I shall not have time in the hour allowed me for this discussion to deal with all these bills, but I do want to view for a moment the provisions of Senate bill 3023, introduced by Mr. ALDRICH. I now hold in my hand a copy of the Aldrich bill, which I ask to have printed in the Record as a part of my remarks on this subject.

A bill (S. 3023) to amend the national banking laws.

Be it enacted, etc., That any national banking association which has circulating notes outstanding, secured by the deposit of United States bonds to an amount of not less than 50 per cent of its capital stock, and which has a surplus of not less than 20 per cent, may make application to the Comptroller of the Currency for authority to issue additional circulating notes to be secured by the deposit of bonds other than bonds of the United States. The Comptroller of the Currency, if in his judgment business conditions demand such additional circulation and the condition of the association making the application warrants the issue, may approve such application, and shall determine the time of issue and shall fix the amount, within the limitations hereinafter imposed, of such additional circulating notes to be issued. Whenever after receiving notice of such approval any such association shall deposit with the Treasurer or any assistant treasurer of the United States such of the bonds described in section 2 of this act as shall be approved in character and amount by the Treasurer of the United States and the Secretary of the Treasury, it shall be entitled to receive, upon the order of the Comptroller of the Currency, circulating notes in blank, registered and countersigned as provided by law, equal in amount to 75 per cent of the market value, as fixed by the Treasurer of the United States, of the bonds so deposited, such additional circulating notes to be used, held, and treated in the same way as circulating notes of national banking associations heretofore issued and secured by a deposit of United States bonds, and shall be subject to all the provisions of law affecting such notes: *Provided,* That the amount of such additional circulating notes delivered at any time to any association shall not in any case exceed the limit fixed for such issue by the Comptroller of the Currency: *And provided further,* That the total amount of circulating notes outstanding of any national banking association, secured by United States bonds or otherwise, shall not at any time exceed the amount of its unimpaired

capital and surplus: *And provided further,* That there shall not be outstanding at any time circulating notes issued under the provisions of this act to an amount of more than \$250,000,000: *And provided further,* That all acts and orders of the Comptroller of the Currency and the Treasurer of the United States authorized by this section shall have the approval of the Secretary of the Treasury.

Sec. 2. That the Treasurer of the United States, with the approval of the Secretary of the Treasury, may accept as security for the additional circulating notes provided for in the preceding sections, bonds or other interest-bearing obligations of any State of the United States, or any legally authorized bonds issued for municipal purposes by any city or county in the United States which has been in existence as a city or county for a period of fifteen years, and which for a period of ten years previous to such deposit has not defaulted in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it, and which has at such date more than 20,000 inhabitants as established by the last national census, and whose net indebtedness does not exceed 10 per cent of the valuation of the taxable property therein, to be ascertained by the last preceding valuation of property for the assessment of taxes; or the first-mortgage bonds of any railroad company, not including street-railway bonds, which has paid dividends of not less than 4 per cent per annum regularly and continuously on its entire capital stock for a period of not less than five years previous to the deposit of the bonds. The Treasurer of the United States, with the approval of the Secretary of the Treasury, may accept, for the purposes of this act, securities herein enumerated in such proportions as he may from time to time determine, and he may at any time require the deposit of additional securities, or require any association to change the character of the securities already on deposit.

Sec. 3. That all bonds deposited to secure circulating notes issued in accordance with the terms of this act shall be transferred to the Treasurer of the United States in trust for the association depositing them, with a memorandum to that effect attached to or written or printed on each bond, and signed by the cashier or some other officer of the association making the deposit. A receipt shall be given to the association by the Comptroller of the Currency, or by a clerk appointed by him for that purpose, stating that such bond is held in trust for the association on whose behalf the transfer is made, and as security for the redemption and payment of any circulating notes that have been or may be delivered to such association. No assignment or transfer of any such bond by the Treasurer shall be deemed valid unless countersigned by the Comptroller of the Currency. The provisions of sections 5163, 5164, 5165, 5166, and 5167 of the Revised Statutes respecting United States bonds deposited to secure circulating notes shall, except as herein modified, be applicable to all bonds deposited under the terms of this act.

Sec. 4. That section 5214 of the Revised Statutes, as amended, be further amended to read as follows:

"Sec. 5214. National banking associations having on deposit bonds of the United States, bearing interest at the rate of 2 per cent per annum, including the bonds issued for the construction of the Panama Canal, under the provisions of section 8 of 'An act to provide for the construction of a canal connecting the waters of the Atlantic and Pacific oceans,' approved June 28, 1902, to secure its circulating notes, shall pay to the Treasurer of the United States, in the months of January and July, a tax of one-fourth of 1 per cent each half year upon the average amount of such of its notes in circulation as are based upon the deposit of such bonds; and such associations having on deposit bonds bearing interest at a rate higher than 2 per cent per annum shall pay a tax of one-half per cent each half year upon the average amount of such of its notes in circulation as are based upon the deposit of such bonds. National banking associations having on deposit bonds to secure their circulating notes other than bonds of the United States shall pay a monthly tax of one-half of 1 per cent upon the average amount of such of their notes in circulation as are based upon the deposit of such bonds. Every national banking association having outstanding circulating notes secured by a deposit of bonds other than bonds of the United States shall make monthly returns, under oath of its president or cashier, to the Treasurer of the United States, in such form as the Treasurer may prescribe, of the average monthly amount of its notes so secured in circulation. The taxes received on circulating notes secured by bonds other than bonds of the United States shall be paid into the division of redemption of the Treasury and credited to the reserve fund held for the redemption of United States and other notes."

Sec. 5. That section 9 of the act approved July 12, 1882, as amended by the act approved March 4, 1907, be further amended to read as follows:

"Sec. 9. That any national banking association desiring to withdraw its circulating notes, secured by deposit of United States bonds in the manner provided in section 4 of the act approved June 20, 1874, is hereby authorized for that purpose to deposit lawful money with the Treasurer of the United States and, with the consent of the Comptroller of the Currency and the approval of the Secretary of the Treasury, to withdraw a proportionate amount of bonds held as security for its circulating notes in the order of such deposits; and in like manner and effect any such association desiring to withdraw any of its circulating notes, secured by the deposit of bonds other than bonds of the United States, may make such withdrawal at any time by the deposit of lawful money or national bank notes with the Treasurer of the United States, and upon such deposit a proportionate share of the bonds so deposited may be withdrawn: *Provided,* That the provisions of this section shall not apply to United States bonds called for redemption by the Secretary of the Treasury, nor to withdrawal of circulating notes in consequence thereof."

Sec. 6. That section 5172 of the Revised Statutes be, and the same is hereby, amended to read as follows:

"Sec. 5172. In order to furnish suitable notes for circulation, the Comptroller of the Currency shall, under the direction of the Secretary of the Treasury, cause plates and dies to be engraved in the best manner to guard against counterfeiting and fraudulent alterations, and shall have printed therefrom and numbered such quantity of circulating notes in blank of the denominations of \$5, \$10, \$20, \$50, \$100, \$500, \$1,000, and \$10,000, as may be required to supply the associations entitled to receive the same. Such notes shall state upon their face that they will be redeemed by the United States in lawful money upon presentation at the Treasury. This pledge shall be certified by the written or engraved signatures of the Treasurer and Register and by the imprint of the seal of the Treasury. They shall also express upon their face the promise of the association receiving the same to pay on demand, attested by the signature of the president or vice-president and cashier. Upon request of any national banking association, the Comptroller of the Currency, under the direction of the Secretary of the Treasury, shall cause to be prepared circulating notes in blank, registered and countersigned, as provided by law, to an amount equal

to 50 per cent of the capital stock of such association; such notes to be deposited in the Treasury or the subtreasury of the United States nearest the place of business of the association making the request, and to be held for such association, subject to the order of the Comptroller of the Currency, for their delivery as provided by law."

SEC. 7. That circulating notes of national banking associations, when presented to the Treasury for redemption, as provided in section 3 of the act approved June 20, 1874, shall be redeemed in lawful money of the United States.

SEC. 8. That national banking associations located outside of reserve or central reserve cities, which are now required by law to keep a reserve equal to 15 per cent of their deposit liabilities, shall hereafter hold at all times at least two-thirds of such reserve in lawful money. The provisions of section 5191 of the Revised Statutes, with reference to the reserves of national banking associations, shall not apply to deposits of public moneys by the United States in designated depositories.

Now, Mr. Chairman, I desire to state that, in my opinion, this bill was designed to aid, and will aid, no one except the Wall street gamblers. It provides that banks may deposit with the Treasury almost any kind of securities and receive 75 per cent of the market value in money, on which they are to pay a monthly tax of one-half of 1 per cent. Under the provisions of this bill Mr. Harriman would not only have a market for these bonds, but for any other securities or bonds he cared to unload on the Government. In other words, the Aldrich bill provides for an issue of circulating notes by the Treasury to the banks, said issue to be based on State, county, municipal, and railroad bonds. The issue is to be limited to \$250,000,000 and is to be taxed 6 per cent. It seems to me that the real purpose of this bill is to limit the inflation to banks able to obtain a rate of interest higher than 6 per cent on currency. This, as a matter of course, includes only such banks as cater to stock gamblers and not business men, who can not afford to pay the call-loan rates now paid by the gamblers of Wall street. I therefore believe, Mr. Chairman, that the Aldrich bill was drawn with the view of conferring special privileges by forcing Government patronage of a favored class in a favored community. I shall use my vote and my influence in defeating this bill. I shall not have the time to take up and discuss the merits of other bills introduced in the House and Senate, many of which contain some excellent provisions, but none of which, in my judgment, are sufficiently meritorious to warrant their passage.

Now, Mr. Chairman, I want to submit to this House the remedy I would suggest to relieve the present financial panic and to prevent a recurrence. Believing, as I do, that this panic is the result of methods employed by our "captains of finance" in the overcapitalization and overissue of stocks and bonds by railroads, corporations, and industrial enterprises, I would first enact a law making it criminal, and prescribing a heavy penalty for its violation, for any corporation of any character to issue stock in excess of its actual investment. Believing this was the first and most important step, I introduced a bill in this House, known as H. R. 10498, which is now in the hands of the Committee on the Judiciary, and which is a bill to prevent and punish overissue of stock by combinations, consolidated companies, or trusts engaged in interstate commerce. This bill in substance provides that whenever two or more corporations engaged in interstate commerce shall enter into any lawful merger or consolidation whereby the two or more corporations shall become one or shall fall under one management in any manner, directly or indirectly, and said consolidated corporation or merger management thereof shall issue stock, common or preferred, the total volume of such stock shall not exceed the sum total of the actual market value of bona fide outstanding stock six months previous to the date of consolidation or merger in the several corporations so merged or consolidated. It also provides that if any corporation, corporations, or consolidated corporation shall violate the provisions of this act then each officer and each member of any board of directors or board of management or board of trustees of any such corporation participating by vote, act, or otherwise in such unlawful overissue of stock shall be guilty of the crime of public cheating, and shall, upon conviction in any circuit court of the United States, be fined not less than \$1,000 and confined in a United States prison, with hard labor, for not less than twelve months.

Mr. Chairman, I honestly believe that if Congress will enact this bill into law, and the States will enact a similar law governing the issue of stock and bonds by corporations organized under State laws and not doing an interstate commerce business, that the leading and principal cause of financial panics will be eliminated. I also believe that Wall street has had the use of Government money long enough without paying interest to the Government for its use. Millions of the people's money, exacted by high tariff taxes and otherwise, have continually remained on deposit with New York banks, and have been used by said banks in all kinds of wild-cat speculation. Practi-

cally every State in the Union has depository laws providing that interest on public funds shall go to the public, and there is no plausible reason why the Government should not require and collect interest on Government funds deposited with national banks. By so doing the people would be at least partially relieved from an already burdensome taxation. I have introduced in the House a bill known as H. R. 11313, now in the hands of the Committee on Ways and Means, providing for the payment of interest on Government deposits, a copy of which I now hold in my hand and ask that it be printed in the Record as a part of my remarks upon the subject.

A bill (H. R. 11313) governing deposits by the Secretary of the Treasury with national and State banks, and requiring payment of interest on said deposits.

Be it enacted, etc., That it is hereby made the duty of the Secretary of the Treasury on the 1st day of July, the 1st day of October, the 1st day of January, and the 1st day of April of each year, after thirty days' previous notice of his purpose, to receive and open sealed bids from national and State banks applying to receive deposits (on call) of surplus moneys in the United States Treasury, and to award deposits to said bidding banks as hereinafter provided.

SEC. 2. That each bid to receive deposit of any of said funds shall state the amount of money applied for to be deposited with the bank making the bid, and the Secretary of the Treasury shall award deposits in amounts not greater than the amounts applied for to the banks offering the highest rate of interest in the order of the rates of their respective bids of interest. Where two or more banks offer the same rate of interest, that rate being higher than the rate offered by any other bank, and the amounts applied for by all banks exceed the total of surplus funds in the Treasury to be deposited, then proportionate deposits shall be awarded to each of said highest bidding banks in the proportion which the total amount of surplus funds in the Treasury bears to the total of amounts applied for by said highest-bidding banks: *Provided*, That no offer to take on deposit an amount less than \$25,000 nor above the paid-up capital stock of any bank shall be considered by the Secretary of the Treasury: *And provided further*, That the Secretary of the Treasury may, in his sound discretion and after giving thirty days' public notice of his intention, deposit funds on fixed time not to exceed four months, as well as "on call," subject, however, to the provisions governing deposits "on call" contained in this act and to other provisions of law for such cases made and provided and being not in conflict with the provisions of this act.

SEC. 3. That the Secretary of the Treasury shall not make, authorize, nor permit any deposit of United States Government funds in any bank which shall not previously to said deposit have complied with the provisions of this act, as well as with all existing laws and lawful regulations governing security to be given for repayment of funds deposited with banks on demand, which provisions for security for repayment of deposits on demand are hereby made applicable to deposits on fixed time, when, in the discretion of the Secretary of the Treasury, deposits on fixed time are made.

Now, Mr. Chairman, I should like for any gentleman on the floor of this House to state a single reason why this bill should not become a law. On the 10th day of January, 1908, the Government had on deposit with national banks Government funds amounting to the enormous sum of \$253,238,765.11, upon which no interest is paid. Principally all of this vast sum is deposited with banks in New York, Philadelphia, Chicago, St. Louis, and other large cities, and but a very small part of this fund ever reaches the rural districts. Just think for a moment; if the Government received interest at the rate of 2 per cent on this vast sum of money it would amount to the enormous sum of \$5,064,775.30 each year. Therefore the people are contributing to a favored few, principally Wall street gamblers, more than \$5,000,000 annually. This large sum of money absolutely given away each year to a special privileged class would be sufficient to increase the pension to at least \$12 per month of every widow whose husband served in the civil war, and by reason of whose service you and I are permitted to enjoy this united country. Many of these widows are now drawing the measly sum of \$8 per month, and since I have introduced a bill in this House providing that it be raised to \$12 per month I have already heard objections to my bill, based upon the fact that it would require \$5,000,000 to pay the increase, yet at this time we are annually giving away to the already rich more than this amount. [Applause.]

In the name of common sense, has not this special privilege continued long enough, and in the interest of justice will not the Republican side of this House join me in forever putting at an end this unholy privilege? The people who constitute this Government, and from whom these funds were collected by way of taxation, are entitled to interest on Government deposits, and, in my judgment, the man who opposes the passage of this bill thinks more of the almighty dollar than he does of the welfare of his country. [Applause.]

Another very important step to take to remove the possibility of future panics is through the enactment of a law making deposits in banks just as safe as a Government bond. This can easily be done by providing for an assessment of a very small per cent on the deposits of all national banks, thereby creating a fund out of which all losses can be paid. If you will examine the reports of the Comptroller of the Currency since the existence of national banks, you will find that an assessment of one-twentieth of 1 per cent on the total deposits of all national

banks would have more than paid the losses sustained by depositors. Such an assessment would be so slight that no bank would feel it, and in addition would bring out of hiding large sums of money, which would find its way into national banks, thereby increasing their deposits and adding to their profits more than the amount of their assessment.

In support of this contention, I have introduced a bill in the House entitled, "A bill to secure depositors in national banks against loss," which reads as follows:

Be it enacted, etc., That every national bank organized under the laws of the United States shall on or before the 1st day of January of each year after the passage of this act deposit with the Treasurer of the United States a sum equal to one-tenth of 1 per cent of its average deposits for the six months preceding said 1st day of January. In case any such national bank shall fail to make such deposit, special notice of such failure shall be immediately given by the said Treasurer by mailing a statement of the fact to the cashier of the bank; and if such bank shall not deposit such amount within thirty days from the day on which such special notice is mailed, then such failure shall work a forfeiture of its charter and the Comptroller of the Currency shall at once take possession of said bank, as is now provided by law in cases of mismanagement or insolvency, and shall administer the affairs of such defaulting bank as is now provided by law in cases of mismanagement or insolvency: *Provided*, That whenever the Treasurer shall have on hand in the special fund raised by such tax the sum of \$10,000,000 the Comptroller of the Currency shall, by order, suspend the tax until the amount of the special fund falls below the sum of \$10,000,000.

Sec. 2. That whenever the Comptroller of the Currency shall be advised of the failure of any national bank he shall at once ascertain the amount due depositors and creditors of the bank (not including stockholders, officers, or directors) and from the special fund provided for in section 1 of this act shall, as soon as convenient, cause to be paid to such depositors and creditors (not including stockholders, officers, and directors) the amount due them.

Sec. 3. That the assets of such failing banks shall be turned into cash as now provided, and the amount realized shall be used, first, to satisfy all claims not provided for in section 2, and the amount remaining shall be paid into the special fund provided for in section 1 of this act: *Provided*, That nothing herein shall be construed to exempt the stockholders from the liability of 100 per cent of their stock in addition to their stock over the assets of such failing bank until all debts due from the bank have been paid and the special fund provided for in section 1 be reimbursed to the extent that it was drawn upon, as provided by section 2 of this act.

Sec. 4. That the United States hereby assumes no liability to depositors of national banks, except as a trustee to depositors under the special fund in this act provided for, and the Comptroller of the Currency shall pay out the money in the order in which he receives notice of failure, paying all proper liabilities of one bank as aforesaid before any of the liabilities of a bank whose failure is subsequently announced.

Sec. 5. That to provide against a contraction of the currency by the holding of this special fund in trust the Secretary of the Treasury is hereby empowered and directed to pay and issue out, for the general expenses of the Government, United States Treasury notes, commonly known as greenbacks, like those authorized by the law approved February 25, 1862, equal to the amount held in special fund, and the Treasury notes shall have all the legal-tender qualities possessed by the Treasury notes issued under said act of February 25, 1862.

Now, Mr. Chairman, if Congress will enact this bill into law, thereby insuring depositors against possible loss, it will force the States to adopt similar laws for the protection of depositors in State banks, and will ultimately result in a system of banking the best the world has ever known. When this bill becomes a law runs on national banks will be a thing of the past and such flurries as the one which recently originated in New York, by the bursting of a corner on copper, will have no effect on the safety of banks and will not shake the confidence of the people. I confidently believe, Mr. Speaker, that if the suggestions I have made were carried out, and the bills I have introduced touching upon this subject were enacted into law, money panics would be a thing of the past. While I believe in an elastic currency and a large per capita of circulation, I also believe that what we need more than these is the confidence of the people, and that can only be gained through the enactment of laws which will reduce to a minimum dishonesty, corruption, unlawfulness, and the vicious villainy of commercial vampires. I have unbounded confidence in the American people, and believe their Representatives in Congress will be broad enough, and patriotic enough, to solve this problem in a way that will do justice to both the banks and the people. Let us lay aside our politics and work together, with the hope of bringing about a solution of this question that will win for the banking system of America the admiration of the world and forever put at end the possibility of a financial panic. [Loud applause.]

Mr. TAWNEY. Mr. Chairman—

Mr. GAINES of Tennessee. If the gentleman will pardon me, I was called out of the Chamber during the gentleman's speech and I want to get some information from him, and if he will give me a minute or two I can get it now. What are the deficiencies that occurred in this bill which were brought about by hauling of bonds and money and securities for the Government? I have been trying to get the information, and I think the gentleman has it.

Mr. TAWNEY. For the fiscal year 1907, \$6,721.67.

Mr. GAINES of Tennessee. For what?

Mr. TAWNEY. That is on account of contingent expenses, independent treasury. That is entirely for transportation of

Government securities. For the transportation of silver dollars for the fiscal year 1907, \$14,053.19. For the transportation of minor coins for the last fiscal year, \$5,281.

Mr. GAINES of Tennessee. Well, now, how much deficiency is there for carrying the moneys, bonds, and securities? Of course that would include silver.

Mr. TAWNEY. It would not include silver. Six thousand seven hundred and twenty-one dollars and sixty-seven cents on account of contingent expenses of independent treasuries, which is for transporting notes, bonds, and other securities of the United States.

Mr. GAINES of Tennessee. Was the last appropriation to cover that?

Mr. TAWNEY. Two hundred and forty thousand dollars for the current fiscal year.

Mr. GAINES of Tennessee. That is the regular appropriation for this transportation service?

Mr. TAWNEY. Yes; the Department transportation service; that is, between the subtreasuries, for the transportation of public moneys, notes, bonds, and other securities of the United States—between United States subtreasuries.

Mr. GAINES of Tennessee. Can you give me any information showing how much the Government pays annually for the transportation of all her moneys, bonds, and securities?

Mr. TAWNEY. Including silver dollars and fractional silver coin?

Mr. GAINES of Tennessee. Yes.

Mr. TAWNEY. Last fiscal year; if the gentleman will take his pencil and a piece of paper he can figure it. In the current appropriation \$240,000 for the transportation of public moneys, notes, bonds, and other securities of the United States; transportation for silver dollars, \$50,000; transportation of fractional silver coin, \$50,000—

Mr. GAINES of Tennessee. I have not a pencil, but I will get the gentleman's figures in the RECORD in the morning.

Mr. TAWNEY (continuing). Transportation of minor coin, \$18,000.

Mr. GAINES of Tennessee. Now, can the gentleman inform me why it is that we have a deficiency every year for this transportation service?

Mr. TAWNEY. Under the first item it is a statutory service. The Treasury Department has no discretion whatever of the amount that is to be expended for the service. They must transport the money as it is demanded from time to time between the subtreasuries, and it is impossible to estimate in advance the exact amount of money that will be required.

Mr. GAINES of Tennessee. How is this transportation done?

Mr. TAWNEY. By the United States Express Company. It has the transportation of the silver coin. For the transportation of silver dollars we have appropriated \$50,000 and for fractional silver coin \$50,000. That is governed entirely by the amount appropriated. There is no law authorizing it, and as the gentleman well knows, I have endeavored in the two last previous sessions of Congress to wipe out that service entirely.

Mr. GAINES of Tennessee. I know the gentleman is in favor of that. There is some opposition on this side, but I think a little more per capita on the other side.

Mr. TAWNEY. The South generally is against any such proposition.

Mr. GAINES of Tennessee. Has the gentleman a copy of the contract executed between the Government and this express company?

Mr. TAWNEY. I have not, but if the gentleman will refer to the hearings of the last session on the legislative bill he will find a copy of that contract.

Mr. GAINES of Tennessee. Does the gentleman know the date?

Mr. TAWNEY. It is executed from time to time as appropriations are made.

Mr. GAINES of Tennessee. Now, I understand that contract is fourteen years old and that they have had the same contract for fourteen years. Does the gentleman know how much more the Government is hauling or transporting of these moneys, etc., now than ten years ago?

Mr. TAWNEY. I do not, but I will endeavor to find out before we reach the items in the reading of the bill, and I will endeavor to give the gentleman any information in detail that I may obtain.

Mr. GAINES of Tennessee. I think the Government is imposed upon very much in this transportation service.

Mr. TAWNEY. I think it is very much imposed on by Congress authorizing and paying for the transportation of a great deal of this money for the benefit and at the request of the bankers, private corporations, and department stores.

Mr. GAINES of Tennessee. Well, that may be true. Will

the gentleman allow me two or three minutes?

Mr. TAWNEY. The committee had agreed to rise in the absence of the gentleman from the floor.

Mr. GAINES of Tennessee. I think the Government is paying more for the transportation of this money than it ought to pay. I am trying to find out how much it has paid, when the contract was made, and how much is transported, etc.

Mr. TAWNEY. I respectfully call the gentleman's attention to the hearings on the legislative bill of the first session of the last Congress and the CONGRESSIONAL RECORD of that session, where he will get all the data to be obtained.

I move that the committee now rise.

The motion was agreed to.

The committee accordingly rose, and Mr. BOUTELL having assumed the chair as Speaker pro tempore, Mr. LAWRENCE, 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. 14766 and had come to no resolution thereon.

ASSISTANT CLERK TO COMMITTEE ON INDIAN AFFAIRS.

Mr. CURRIER. Mr. Speaker, I present a privileged report from the Committee on Accounts in lieu of House resolution 157.

The SPEAKER pro tempore. The gentleman from New Hampshire submits a privileged report from the Committee on Accounts, which will be read by the Clerk.

The Clerk read as follows:

Resolved, That there shall be paid, out of the contingent fund of the House, for the services of an assistant clerk to the Committee on Indian Affairs, during the sessions of the Sixtieth Congress, per diem compensation of \$6, which shall equal in the aggregate the amount paid session clerks whose employment is provided for by law. The pay of said clerk shall commence from the time he entered upon the discharge of his duties, which shall be ascertained and evidenced by the certificate of the chairman of said committee.

Mr. CURRIER. Mr. Speaker, I ask that the report be read.

Mr. TAWNEY. Is it long?

Mr. CURRIER. It is very short.

The Clerk read as follows:

The Committee on Accounts, to whom was referred H. Res. 157, have had the same under consideration and recommend in lieu thereof the adoption of the following resolution:

Resolved, That there shall be paid, out of the contingent fund of the House, for the services of an assistant clerk to the Committee on Indian Affairs during the sessions of the Sixtieth Congress per diem compensation of \$6, which shall equal in the aggregate the amount paid session clerks whose employment is provided for by law. The pay of said clerk shall commence from the time he entered upon the discharge of his duties, which shall be ascertained and evidenced by the certificate of the chairman of said committee.

It has been customary for many years to grant an additional session clerk to the Committee on Indian Affairs, and the resolution reported herewith conforms to the practice.

The Committee on Indian Affairs has jurisdiction of the Indian appropriation bill, besides a large number of other matters pertaining to Indian tribes and reservations. The work is such as to warrant, as in the past, the granting of the clerk authorized by the accompanying resolution.

Mr. CLARK of Missouri. Mr. Speaker, this resolution creates no new office, but simply continues an old one.

Mr. CURRIER. That is all. This office, for many years, has been provided for in this way.

Mr. GOULDEN. It creates no new office, and is a unanimous report.

Mr. CURRIER. I move the adoption of the resolution.

The resolution was agreed to.

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

CLERKS TO PACIFIC RAILROADS AND PRIVATE LAND CLAIMS COMMITTEES.

Mr. CURRIER. I also present another report from the Committee on Accounts, which I ask the Clerk to read.

The Clerk read as follows:

(In lieu of House resolutions 91 and 94.)

Resolved, That there shall be paid, out of the contingent fund of the House, for the services of clerks to the Committees on Pacific Railroads and Private Land Claims, respectively, to serve during the sessions of the Sixtieth Congress, per diem compensation of \$6, which shall in each case equal in the aggregate the amount paid session clerks whose employment is provided for by law. The pay of such clerks shall begin from the time they entered upon the discharge of their duties, which shall be ascertained and evidenced by the certificate of the chairmen of said committees.

The Committee on Accounts, to whom was referred House resolutions Nos. 91 and 94, have had the same under consideration and recommend in lieu thereof the adoption of the following resolution:

Resolved, That there shall be paid, out of the contingent fund of the House, for the services of clerks to the Committees on Pacific Railroads and Private Land Claims, respectively, to serve during the sessions of the Sixtieth Congress, per diem compensation of \$6, which shall in each case equal in the aggregate the amount paid session clerks whose employment is provided for by law. The pay of such clerks shall begin from the time they entered upon the discharge of their duties, which shall be ascertained and evidenced by the certificate of the chairmen of said committees.

This resolution conforms to the practice of a number of past Congresses in allowing session clerks to the Committees on Pacific Railroads and Private Land Claims. The chairmen, respectively, of those committees appeared before the Committee on Accounts and stated that the same reasons exist now as in the past for the granting of this clerical assistance.

Your committee therefore report the accompanying resolution substantially in the form in which it was passed in the last Congress, and recommend its adoption.

Mr. CURRIER. I move the adoption of the resolution.

The resolution was agreed to.

On motion of Mr. CURRIER, a motion to reconsider the last report was laid on the table.

UNITED STATES NATIONAL BANK OF AMERICA.

Mr. FORNES. Mr. Speaker, I ask unanimous consent for a reprint of 1,000 copies of the bill H. R. 13845, providing for the establishment of the United States National Bank of America in the city of Washington, D. C.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent for the reprint of a bill, the title of which will be reported by the Clerk.

The Clerk read the title of the bill.

The SPEAKER pro tempore. If there be no objection, the reprint will be ordered.

There was no objection.

SENATE BILLS REFERRED.

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

S. 4064. An act to provide for a term of the United States circuit and district courts at Lander, Wyo.—to the Committee on the Judiciary.

S. 110. An act for the erection of an addition or extension to the post-office and court-house at Sioux Falls, S. Dak.—to the Committee on Public Buildings and Grounds.

Senate concurrent resolution 20:

Resolved by the Senate (the House of Representatives concurring), That the Secretary of War be, and he is hereby, authorized to extend the examination and survey of Cowlitz River, provided for in the river and harbor act of March 2, 1907, up to the head of navigation at Toledo, Wash.—

to the Committee on Rivers and Harbors.

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES.

Mr. GREEN. Mr. Speaker, I ask unanimous consent for immediate consideration of the following resolution.

The Clerk read as follows:

Resolved, That the Committee on the Merchant Marine and Fisheries be authorized to have printed such papers and documents in connection with subjects under consideration by the committee as may be deemed necessary to the transaction of its business.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was considered, and agreed to.

LEAVE OF ABSENCE.

Mr. PEARRE, by unanimous consent, was given leave of absence until Tuesday next, on account of important business.

ADJOURNMENT.

And then, on motion of Mr. TAWNEY (at 4 o'clock and 40 minutes p. m.), the House adjourned.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, the following executive communications were taken from the Speaker's table and referred as follows:

A letter from the Secretary of the Treasury, transmitting a copy of a letter from the Secretary of War submitting an estimate of appropriation for purchase of additional land for the post of Madison Barracks, Sacketts Harbor, N. Y.—to the Committee on Appropriations and ordered to be printed.

A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report of examination and survey of Lorain Harbor, Ohio—to the Committee on Rivers and Harbors and ordered to be printed.

A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report of examination and survey of harbor at Rocky River, Ohio—to the Committee on Rivers and Harbors and ordered to be printed.

A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report of examination of Guyandot River, West Virginia—to the Committee on Rivers and Harbors and ordered to be printed.

A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report of examination of Dry

Straits, Alaska—to the Committee on Rivers and Harbors and ordered to be printed.

A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report of examination of Lake Ponchartrain, Louisiana—to the Committee on Rivers and Harbors and ordered to be printed.

A letter from the Secretary of War, submitting an estimate of appropriation for entertainment of official guests at military posts of the United States—to the Committee on Military Affairs and ordered to be printed.

A letter from the Acting Postmaster-General, transmitting a schedule of papers and documents not needed in the public business—to the Joint Select Committee for the Disposition of Useless Executive Papers and ordered to be printed.

A letter from the Secretary of the Navy transmitting in response to the inquiry of the House, documents, letters, etc., relating to the appointment of Surg. Charles F. Stokes to command of the hospital ship *Relief* and the resignation of Willard H. Brownson, as Chief of the Bureau of Navigation—to the Committee on Naval Affairs 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. SIMS, from the Committee on the District of Columbia, to which was referred the bill of the House (H. R. 10446) to provide for temporary street railway connection with the Union Railroad Station, District of Columbia, reported the same with amendment, accompanied by a report (No. 354), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. MURPHY, from the Committee on the District of Columbia, to which was referred the bill of the House (H. R. 4060) authorizing the extension of Oak street NW., reported the same with amendments, accompanied by a report (No. 352), which said bill and report were referred to the House Calendar.

He also, from the same committee, to which was referred the bill of the House (H. R. 12378) for the widening of Twentieth street NW., District of Columbia, reported the same with amendments, accompanied by a report (No. 353), which said bill and report were referred to the House Calendar.

Mr. SIMS, from the Committee on the District of Columbia, to which was referred the bill of the House (H. R. 11767) to provide for the extension of Kenyon street from Seventeenth street to Mount Pleasant street, and for the extension of Seventeenth street from Kenyon street to Irving street, in the District of Columbia, and for other purposes, reported the same with amendments, accompanied by a report (No. 355), which said bill and report were referred to the House Calendar.

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. AIKEN, from the Committee on Pensions, to which was referred the bill of the House (H. R. 3663) granting an increase of pension to Robert A. McAulay, reported the same with amendment, accompanied by a report (No. 326), which said bill and report were referred to the Private Calendar.

Mr. RICHARDSON, from the Committee on Pensions, to which was referred the bill of the House (H. R. 10946) granting an increase of pension to Mary A. Tannehill, reported the same with amendment, accompanied by a report (No. 327), which said bill and report were referred to the Private Calendar.

Mr. AIKEN, from the Committee on Pensions, to which was referred the bill of the House (H. R. 3667) granting an increase of pension to Louis R. Thomas, reported the same with amendments, accompanied by a report (No. 328), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill of the House (H. R. 3661) granting an increase of pension to Mary A. Tyer, reported the same with amendments, accompanied by a report (No. 329), which said bill and report were referred to the Private Calendar.

Mr. RICHARDSON, from the Committee on Pensions, to which was referred the bill of the House (H. R. 11956) granting an increase of pension to Sarah Lusia Scannell, reported the same with amendments, accompanied by a report (No. 330), which said bill and report were referred to the Private Calendar.

Mr. AIKEN, from the Committee on Pensions, to which was referred the bill of the House (H. R. 2922) granting an increase of pension to Jane Spears, reported the same with amendments, accompanied by a report (No. 331), which said bill and report were referred to the Private Calendar.

Mr. FOSTER of Illinois, from the Committee on Pensions, to which was referred the bill of the House (H. R. 3217) granting an increase of pension to Zylpha Raymond, reported the same with amendments, accompanied by a report (No. 332), which said bill and report were referred to the Private Calendar.

Mr. AIKEN, from the Committee on Pensions, to which was referred the bill of the House (H. R. 2925) granting an increase of pension to Amelia D. Robertson, reported the same with amendments, accompanied by a report (No. 333), which said bill and report were referred to the Private Calendar.

Mr. RICHARDSON, from the Committee on Pensions, to which was referred the bill of the House (H. R. 11694) granting an increase of pension to William Pritchard, reported the same with amendments, accompanied by a report (No. 334), which said bill and report were referred to the Private Calendar.

Mr. FOSTER of Illinois, from the Committee on Pensions, to which was referred the bill of the House (H. R. 9586) granting an increase of pension to Mary Jane Pack, reported the same with amendments, accompanied by a report (No. 335), which said bill and report were referred to the Private Calendar.

Mr. AIKEN, from the Committee on Pensions, to which was referred the bill of the House (H. R. 3657) granting an increase of pension to Henry Parrish, reported the same with amendments, accompanied by a report (No. 336), which said bill and report were referred to the Private Calendar.

Mr. KENNEDY of Iowa, from the Committee on Pensions, to which was referred the bill of the House (H. R. 2429) granting an increase of pension to Elizabeth H. Olcott, reported the same with amendments, accompanied by a report (No. 337), which said bill and report were referred to the Private Calendar.

Mr. FOSTER of Illinois, from the Committee on Pensions, to which was referred the bill of the House (H. R. 6868) granting an increase of pension to Maria E. Menges, reported the same with amendments, accompanied by a report (No. 338), which said bill and report were referred to the Private Calendar.

Mr. AIKEN, from the Committee on Pensions, to which was referred the bill of the House (H. R. 10366) granting an increase of pension to George F. Hays, reported the same with amendments, accompanied by a report (No. 339), which said bill and report were referred to the Private Calendar.

Mr. FOSTER of Illinois, from the Committee on Pensions, to which was referred the bill of the House (H. R. 9582) granting an increase of pension to Nancy B. Hacker, reported the same with amendments, accompanied by a report (No. 340), which said bill and report were referred to the Private Calendar.

Mr. KENNEDY of Iowa, from the Committee on Pensions, to which was referred the bill of the House (H. R. 7070) granting a pension to John C. Hall, reported the same with amendments, accompanied by a report (No. 341), which said bill and report were referred to the Private Calendar.

Mr. RICHARDSON, from the Committee on Pensions, to which was referred the bill of the House (H. R. 3814) granting an increase of pension to Nancy Harmon, reported the same without amendment, accompanied by a report (No. 342), which said bill and report were referred to the Private Calendar.

Mr. DRAPER, from the Committee on Pensions, to which was referred the bill of the House (H. R. 11690) granting an increase of pension to Charles W. Geddes, reported the same with amendments, accompanied by a report (No. 343), which said bill and report were referred to the Private Calendar.

Mr. FOSTER of Illinois, from the Committee on Pensions, to which was referred the bill of the House (H. R. 9791) granting a pension to Leon D. Conover, reported the same without amendment, accompanied by a report (No. 344), which said bill and report were referred to the Private Calendar.

Mr. DRAPER, from the Committee on Pensions, to which was referred the bill of the House (H. R. 4130) granting a pension to Mary Cox, reported the same with amendments, accompanied by a report (No. 345), which said bill and report were referred to the Private Calendar.

Mr. RICHARDSON, from the Committee on Pensions, to which was referred the bill of the House (H. R. 12325) granting an increase of pension to Mary E. Benson, reported the same with amendments, accompanied by a report (No. 346), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill of the House (H. R. 10613) granting an increase of pension to Narsis Burns, reported the same without amendment, accom-

panied by a report (No. 347), which said bill and report were referred to the Private Calendar.

Mr. DRAPER, from the Committee on Pensions, to which was referred the bill of the House (H. R. 7474) granting an increase of pension to Charles H. Balch, reported the same with amendments, accompanied by a report (No. 348), which said bill and report were referred to the Private Calendar.

Mr. AIKEN, from the Committee on Pensions, to which was referred the bill of the House (H. R. 2923) granting an increase of pension to S. A. Bradley, reported the same with amendments, accompanied by a report (No. 349), which said bill and report were referred to the Private Calendar.

Mr. FOSTER of Illinois, from the Committee on Pensions, to which was referred the bill of the House (H. R. 12100) granting a pension to Martha Alexander, reported the same with amendments, accompanied by a report (No. 350), which said bill and report were referred to the Private Calendar.

Mr. AMES, from the Committee on Pensions, to which was referred the bill of the House (H. R. 12636) granting a pension to Delia E. Ahern, reported the same with amendments, accompanied by a report (No. 351), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of bills of the following titles, which were thereupon referred as follows:

A bill (H. R. 14501) granting an honorable discharge to William Bush—Committee on Invalid Pensions discharged, and referred to the Committee on Military Affairs.

A bill (H. R. 14513) granting a pension to J. K. Rainey—Committee on Invalid Pensions discharged, and referred to the Committee on Claims.

A bill (H. R. 14514) granting a pension to William R. White—Committee on Invalid Pensions discharged, and referred to the Committee on Claims.

A bill (H. R. 14515) granting a pension to Mary C. White—Committee on Invalid Pensions discharged, and referred to the Committee on Claims.

A bill (H. R. 14607) granting an increase of pension to Angus Gillis—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 14680) granting a pension to Elizabeth Norton—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 14711) to remove the charge of desertion against John N. Barker—Committee on Invalid Pensions discharged, and referred to the Committee on Military Affairs.

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. FERRIS: A bill (H. R. 14919) to provide for improvement and designation of homestead of certain Indian lands in Oklahoma of the Kiowa, Comanche, Apache, Caddo, Wichita, Cheyenne, Arapaho, Shawnee, and Pottawatomie Indians—to the Committee on Indian Affairs.

By Mr. ADDISON D. JAMES: A bill (H. R. 14920) for the erection of a public building at Glasgow, Barren County, Ky.—to the Committee on Public Buildings and Grounds.

By Mr. JONES of Washington: A bill (H. R. 14921) authorizing and directing the Secretary of War to construct a bridge across the Spokane River, and for other purposes—to the Committee on Military Affairs.

By Mr. HOWELL of New Jersey: A bill (H. R. 14922) making an appropriation for the improvement of Toms River, New Jersey—to the Committee on Rivers and Harbors.

By Mr. STEVENS of Minnesota: A bill (H. R. 14923) to provide for the distribution of the reports of the United States circuit courts of appeals and of the circuit and district courts—to the Committee on the Judiciary.

By Mr. ACHESON: A bill (H. R. 14924) authorizing the President to appoint a commissioner to supervise the erection of monuments and markers and locate what is known as Brad-dock's road—to the Committee on the Library.

Also, a bill (H. R. 14925) to establish a fish-hatching and fish station in the State of Pennsylvania—to the Committee on the Merchant Marine and Fisheries.

By Mr. KINKAID: A bill (H. R. 14926) to amend sections 2 and 3 of an act entitled "An act to amend the homestead laws as to certain unappropriated and unreserved lands in Nebraska," approved April 28, 1904, and for other purposes—to the Committee on the Public Lands.

By Mr. HULL of Tennessee: A bill (H. R. 14927) to increase the pensions of Mexican war survivors and their widows—to the Committee on Pensions.

Also, a bill (H. R. 14928) for the erection of a public building at Cookeville, Tenn.—to the Committee on Public Buildings and Grounds.

By Mr. VOLSTEAD: A bill (H. R. 14929) to authorize drainage of certain lands in the State of Minnesota—to the Committee on the Public Lands.

By Mr. MONDELL: A bill (H. R. 14930) to extend the coal land laws of the United States to the State of Alabama—to the Committee on the Public Lands.

By Mr. COUSINS: A bill (H. R. 14931) to carry into effect the international convention of December 21, 1904, relating to the exemption in time of war of hospital ships from dues and taxes on vessels—to the Committee on Foreign Affairs.

By Mr. CALDERHEAD: A bill (H. R. 14932) to provide for the purchase of a site and erection of a public building thereon in the city of Abilene, State of Kansas—to the Committee on Public Buildings and Grounds.

By Mr. LIVINGSTON: A bill (H. R. 14933) to authorize the Chief of Ordnance, United States Army, to receive two 3.2-inch breech-loading field guns, carriages, caissons, limbers, and their pertaining equipment from the State of Georgia—to the Committee on Military Affairs.

By Mr. MAYNARD: A bill (H. R. 14934) to amend an act entitled "An act to regulate commerce," approved February 4, 1887, and all acts amendatory thereof—to the Committee on Interstate and Foreign Commerce.

By Mr. BEDE: A bill (H. R. 14935) authorizing the Secretary of the Interior to convey to the State of Minnesota certain lands in the county of Carlton, Minn., and for other purposes—to the Committee on the Public Lands.

By Mr. DAWES: A bill (H. R. 14936) relating to pensions—to the Committee on Invalid Pensions.

By Mr. THOMAS of North Carolina: A bill (H. R. 14937) to limit the effect of the regulation of commerce between the several States and Territories in certain cases—to the Committee on the Judiciary.

Also, a bill (H. R. 14938) to prohibit the issuance of United States liquor licenses in prohibition territory—to the Committee on Ways and Means.

By Mr. LANGLEY: A bill (H. R. 14939) to equalize the pensions of widows of soldiers and sailors of the war of the rebellion—to the Committee on Invalid Pensions.

By Mr. ANDREWS: A bill (H. R. 14940) to authorize the Secretary of the Interior to sell and convey the unappropriated nonmineral desert lands of the United States—to the Committee on Irrigation of Arid Lands.

By Mr. GOULDEN: A bill (H. R. 14941) amending section 4463 of the Revised Statutes of the United States—to the Committee on the Merchant Marine and Fisheries.

By Mr. BENNET of New York: A bill (H. R. 14942) to grant employees of the United States classified civil service an indefinite leave of absence—to the Committee on Reform in the Civil Service.

By Mr. DAWSON: Joint resolution (H. J. Res. 110) making each Saturday after 12 o'clock noon during the months of July, August, and September only in each year a legal holiday for certain officers and employees of the United States—to the Committee on the Judiciary.

By Mr. WOOD: Joint resolution (H. J. Res. 111) for survey of Delaware River from Lalor street, Trenton, N. J., to Ferry street, in same city—to the Committee on Rivers and Harbors.

By Mr. ROBINSON: Resolution (H. Res. 189) to investigate the action of the Interior Department relative to certain bath-house and water privileges at Hot Springs, Ark.—to the Committee on Rules.

By Mr. COOPER of Wisconsin: Resolution (H. Res. 190) to amend paragraph 2, Rule XII, of the House of Representatives—to the Committee on Rules.

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. ACHESON: A bill (H. R. 14943) granting a pension to Deborah E. Green-Childs—to the Committee on Pensions.

Also, a bill (H. R. 14944) granting a pension to Margaret Mars—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14945) granting an increase of pension to William J. Harris—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14946) granting an increase of pension to David Freed—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14947) granting an increase of pension to Joseph Cornell—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14948) granting an increase of pension to Charles Weller—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14949) granting an increase of pension to Marshall Wright—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14950) granting an increase of pension to Robert Thompson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14951) granting an increase of pension to Henry B. Arnold—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14952) granting an increase of pension to James Pomeroy—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14953) granting an increase of pension to Robert Brewer—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14954) granting an increase of pension to Nancy A. Trover—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14955) granting an increase of pension to Mary A. Hartman—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14956) granting an increase of pension to Thomas J. Walker—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14957) granting an increase of pension to Joseph M. Caldwell—to the Committee on Invalid Pensions.

By Mr. ADAMSON: A bill (H. R. 14958) granting an increase of pension to John L. Bennett—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14959) granting an increase of pension to Virgil D. Poe—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14960) granting an increase of pension to Cleophas Guerin—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14961) granting a pension to Bertha C. Huntosh—to the Committee on Invalid Pensions.

By Mr. ALEXANDER of New York: A bill (H. R. 14962) for the relief of Nathan B. Wilber—to the Committee on Military Affairs.

Also, a bill (H. R. 14963) granting an increase of pension to John W. Wood—to the Committee on Invalid Pensions.

By Mr. ANDREWS: A bill (H. R. 14964) granting an increase of pension to Maria Soledad Montoya de Trujillo—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14965) granting an increase of pension to William Mueller—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14966) granting an increase of pension to John C. Patterson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14967) granting an increase of pension to Elizabeth Shield—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14968) granting a pension to Simon Arias—to the Committee on Invalid Pensions.

By Mr. ANDRUS: A bill (H. R. 14969) granting an increase of pension to Abraham H. Tompkins—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14970) granting an increase of pension to Daniel W. Latham—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14971) for the relief of the widow and children of Edward F. Wyman, deceased—to the Committee on Claims.

By Mr. ANTHONY: A bill (H. R. 14972) granting an increase of pension to G. W. Stabler—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14973) granting an increase of pension to James Hudson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14974) for the relief of Charles A. Bess—to the Committee on Invalid Pensions.

By Mr. ASHBROOK: A bill (H. R. 14975) granting an increase of pension to Zachary T. Pentz—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14976) granting an increase of pension to Eliza Sells—to the Committee on Pensions.

By Mr. BRICK: A bill (H. R. 14977) granting an increase of pension to Peter Spangler—to the Committee on Invalid Pensions.

By Mr. BRODHEAD: A bill (H. R. 14978) granting an increase of pension to Josiah Dixon—to the Committee on Invalid Pensions.

By Mr. KAHN: A bill (H. R. 14979) authorizing the President to appoint Samuel T. Weirick, late captain and assistant surgeon of the United States Volunteers, as a captain and assistant surgeon in the Army and place him on the retired list—to the Committee on Military Affairs.

By Mr. CHANEY: A bill (H. R. 14980) granting an increase of pension to George E. Seneff—to the Committee on Invalid Pensions.

By Mr. CRUMPACKER: A bill (H. R. 14981) granting an increase of pension to John W. Don, sr.—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14982) granting a pension to Missouri L. Herron—to the Committee on Invalid Pensions.

By Mr. CRAWFORD: A bill (H. R. 14983) granting a pension to John W. Shepherd, sr.—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14984) granting a pension to Thomas L. Holland—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14985) granting a pension to Thomas J. Bradshaw—to the Committee on Pensions.

Also, a bill (H. R. 14986) to complete the military record of James Hyatt—to the Committee on Military Affairs.

By Mr. DAWES: A bill (H. R. 14987) for the relief of Guernsey County, Ohio—to the Committee on Claims.

Also, a bill (H. R. 14988) granting an increase of pension to Joseph Farley—to the Committee on Invalid Pensions.

By Mr. DAWSON: A bill (H. R. 14989) granting an increase of pension to Jerome King—to the Committee on Invalid Pensions.

By Mr. DE ARMOND: A bill (H. R. 14990) granting an increase of pension to George W. Jennings—to the Committee on Pensions.

By Mr. DENBY: A bill (H. R. 14991) granting a pension to Adelaide S. Reed—to the Committee on Invalid Pensions.

By Mr. DIEKEMA: A bill (H. R. 14992) granting a pension to Catharine Collins—to the Committee on Invalid Pensions.

By Mr. DIXON: A bill (H. R. 14993) granting a pension to Mary McGowan—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14994) granting a pension to Cora P. Smith—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14995) granting a pension to John William Tungate—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14996) granting an increase of pension to Samuel H. Wilson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14997) granting an increase of pension to William Lockridge—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14998) granting an increase of pension to Arnold Schafer—to the Committee on Invalid Pensions.

Also, a bill (H. R. 14999) to correct the military record of Jacob Lamont—to the Committee on Military Affairs.

By Mr. ELLERBE: A bill (H. R. 15000) for the relief of George M. Stackhouse—to the Committee on Claims.

By Mr. FLOYD: A bill (H. R. 15001) to correct the military record of William Pearson—to the Committee on Military Affairs.

By Mr. FOWLER: A bill (H. R. 15002) granting an increase of pension to Nancy Horton—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15003) granting an increase of pension to Emma R. Van Wart—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15004) to provide American register for the steamer *Eva*—to the Committee on the Merchant Marine and Fisheries.

By Mr. FULTON: A bill (H. R. 15005) granting an increase of pension to A. S. Loudermilk—to the Committee on Invalid Pensions.

By Mr. GARDNER of Michigan: A bill (H. R. 15006) granting a pension to John Leonard—to the Committee on Invalid Pensions.

By Mr. GILLETT: A bill (H. R. 15007) for the relief of John Worthington—to the Committee on Claims.

By Mr. GRAHAM: A bill (H. R. 15008) granting a pension to Annie L. Bocking—to the Committee on Pensions.

By Mr. HAMLIN: A bill (H. R. 15009) granting an increase of pension to Nathaniel B. Petts—to the Committee on Invalid Pensions.

By Mr. HARRISON: A bill (H. R. 15010) granting a pension to Phillippine Stelzle—to the Committee on Invalid Pensions.

By Mr. HENRY of Connecticut: A bill (H. R. 15011) granting compensation to Joseph Dawson—to the Committee on Claims.

By Mr. HOUSTON: A bill (H. R. 15012) for the relief of the Union University, Murfreesboro, Tenn.—to the Committee on War Claims.

Also, a bill (H. R. 15013) for the relief of the heirs of W. W. Summers—to the Committee on War Claims.

By Mr. HULL of Tennessee: A bill (H. R. 15014) granting an increase pension of Calvin E. Myers—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15015) granting a pension to Alice Jewett—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15016) for the relief of W. H. Reagan, of Pickett County, Tenn.—to the Committee on War Claims.

Also, a bill (H. R. 15017) authorizing the Secretary of War to recognize Calvin L. Smith, deceased, as having been a member

of Captain Bryson's company North Carolina Scouts and Guards, civil war—to the Committee on Military Affairs.

Also, a bill (H. R. 15018) to restore Second Lieut. Winslow Hart Reeves to the rank and pay of a lieutenant and retire him for physical disability—to the Committee on Military Affairs.

Also, a bill (H. R. 15019) granting an increase of pension to W. H. Jones—to the Committee on Pensions.

By Mr. JACKSON: A bill (H. R. 15020) granting a pension to W. Lillian Steventon—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15021) granting a pension to Annie M. Wallace—to the Committee on Invalid Pensions.

By Mr. ADDISON D. JAMES: A bill (H. R. 15022) granting an increase of pension to John B. Graves—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15023) granting an increase of pension to W. E. Hobson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15024) granting an increase of pension to Rees Perkins—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15025) granting an increase of pension to Edward Brown—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15026) granting an increase of pension to Enoch M. Brown—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15027) granting a pension to John W. Davis—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15028) for the relief of the Cumberland Presbyterian Church of Russellville, Ky.—to the Committee on War Claims.

Also, a bill (H. R. 15029) for the relief of J. B. McFarlin, of Allen County, Ky.—to the Committee on War Claims.

Also, a bill (H. R. 15030) to remove the charge of desertion from the military record of Joseph Dodson—to the Committee on Military Affairs.

Also, a bill (H. R. 15031) placing the survivors of Middle Green River Battalion of Volunteers, Kentucky, in pensionable position—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15032) for the relief of John F. Johnson—to the Committee on War Claims.

Also, a bill (H. R. 15033) for the relief of B. F. Miles—to the Committee on War Claims.

By Mr. JONES of Washington: A bill (H. R. 15034) granting a pension to Nancy Mitchell—to the Committee on Invalid Pensions.

By Mr. KEIFER: A bill (H. R. 15035) granting a pension to Sarah Bray—to the Committee on Invalid Pensions.

By Mr. KELIHER: A bill (H. R. 15036) granting an increase of pension to Mary A. Follansbee—to the Committee on Invalid Pensions.

By Mr. KNOWLAND: A bill (H. R. 15037) granting an increase of pension to Albert Falcon—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15038) granting an honorable discharge to Henry Finnegan—to the Committee on Military Affairs.

Also, a bill (H. R. 15039) to correct the military record of Adolph M. Clay—to the Committee on Military Affairs.

By Mr. LAPEAN: A bill (H. R. 15040) granting an increase of pension to Charles Myers—to the Committee on Invalid Pensions.

By Mr. LANDIS: A bill (H. R. 15041) granting an increase of pension to George W. Crowder—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15042) granting an increase of pension to Adam B. Shepherd—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15043) to remove the charge of desertion from the military record of Jesse N. Harrod—to the Committee on Military Affairs.

By Mr. LANGLEY: A bill (H. R. 15044) granting an increase of pension to John W. Puckett—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15045) granting an increase of pension to James L. Wheeler—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15046) granting an increase of pension to William H. Begley—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15047) granting a pension to Spencer Cooper—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15048) granting a pension to Laura Sowards—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15049) granting a pension to Lucy Douthett—to the Committee on Pensions.

Also, a bill (H. R. 15050) for the relief of Paymaster Robert H. Woods, United States Navy—to the Committee on Claims.

Also, a bill (H. R. 15051) to correct the military record of Harrison Pack—to the Committee on Military Affairs.

Also, a bill (H. R. 15052) to correct the military record of Morgan Sowards—to the Committee on Military Affairs.

Also, a bill (H. R. 15053) to correct the military record of John Harvey, sr.—to the Committee on Military Affairs.

By Mr. LEGARE: A bill (H. R. 15054) for the relief of John Duncan, surviving partner of Archibald Duncan & Son—to the Committee on War Claims.

By Mr. LEWIS (by request): A bill (H. R. 15055) for the relief of Jonas J. Rackley—to the Committee on Military Affairs.

Also, a bill (H. R. 15056) granting an increase of pension to Benjamin F. Finical—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15057) granting an increase of pension to Margaret Mitchell—to the Committee on Pensions.

By Mr. LILLEY: A bill (H. R. 15058) granting an increase of pension to James C. Jennings—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15059) granting an increase of pension to John Fagan—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15060) granting an increase of pension to Carlos Dart—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15061) granting an increase of pension to Mary E. Pierce—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15062) granting a pension to James H. Sutherland—to the Committee on Invalid Pensions.

By Mr. LIVINGSTON: A bill (H. R. 15063) granting an increase of pension to Alex Mattison—to the Committee on Invalid Pensions.

By Mr. LOWDEN: A bill (H. R. 15064) granting an increase of pension to A. C. Newcomer—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15065) to amend the military record of William Firkins—to the Committee on Military Affairs.

By Mr. McHENRY: A bill (H. R. 15066) authorizing the Secretary of War to bestow a medal of honor upon Lieut. Russell Karns—to the Committee on Military Affairs.

Also, a bill (H. R. 15067) granting an increase of pension to Elizabeth C. Johnson—to the Committee on Invalid Pensions.

By Mr. McLAIN: A bill (H. R. 15068) granting an increase of pension to Martha Marble—to the Committee on Pensions.

By Mr. McMORRAN: A bill (H. R. 15069) granting a pension to Jemina Grigg—to the Committee on Pensions.

By Mr. MADDEN: A bill (H. R. 15070) for the relief of J. Edmund Strong—to the Committee on Claims.

By Mr. MONDELL: A bill (H. R. 15071) granting an increase of pension to James M. Reed—to the Committee on Invalid Pensions.

By Mr. MOON of Pennsylvania: A bill (H. R. 15072) granting an increase of pension to Alfred R. Tomlinson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15073) granting an increase of pension to David M. Blizzard—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15074) granting an increase of pension to Harrison Seabrook—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15075) granting an increase of pension to William Hinckle—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15076) granting an increase of pension to Ida M. Wallace—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15077) granting a pension to Thomas F. Walter—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15078) for the relief of Thomas F. Walter—to the Committee on Military Affairs.

Also, a bill (H. R. 15079) for the relief of Morris Busch—to the Committee on War Claims.

Also, a bill (H. R. 15080) to authorize the President to revoke the order dismissing William T. Godwin, late first lieutenant, Tenth Infantry United States Army, and to place the said William T. Godwin on the retired list with the rank of first lieutenant—to the Committee on Military Affairs.

By Mr. MOON of Tennessee: A bill (H. R. 15081) granting an increase of pension to William F. Anderson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15082) for the relief of Abner Souder—to the Committee on War Claims.

By Mr. NICHOLLS: A bill (H. R. 15083) granting a pension to Mary E. Salkeld—to the Committee on Invalid Pensions.

By Mr. PADGETT: A bill (H. R. 15084) for the relief of Missionary Baptist Church, of Franklin, Tenn.—to the Committee of War Claims.

By Mr. PRATT: A bill (H. R. 15085) granting an increase of pension to Julia Walker—to the Committee on Invalid Pensions.

By Mr. REEDER: A bill (H. R. 15086) granting an increase of pension to William H. Boyer—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15087) granting a pension to Sarah A. Rainey—to the Committee on Invalid Pensions.

By Mr. RUSSELL of Missouri: A bill (H. R. 15088) granting a pension to Charles Baumann—to the Committee on Invalid Pensions.

By Mr. SCOTT: A bill (H. R. 15089) granting an increase of pension to Josephine K. Woodson—to the Committee on Invalid Pensions.

By Mr. SHACKLEFORD: A bill (H. R. 15090) granting a pension to Adeline K. Hart—to the Committee on Invalid Pensions.

By Mr. SHEPPARD: A bill (H. R. 15091) granting an increase of pension to David H. Hopkins—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15092) granting an increase of pension to Sarah J. Mapes—to the Committee on Pensions.

By Mr. SIMS: A bill (H. R. 15093) for the relief of the legal representatives of William Witherspoon, deceased—to the Committee on War Claims.

By Mr. SMITH of Michigan: A bill (H. R. 15094) to correct the military record of Thomas Eagan—to the Committee on Military Affairs.

Also, a bill (H. R. 15095) to correct the military record of Philip Hale—to the Committee on Military Affairs.

Also, a bill (H. R. 15096) granting an increase of pension to Philip Hale—to the Committee on Invalid Pensions.

By Mr. SNAPP: A bill (H. R. 15097) granting a pension to Florence H. Porter—to the Committee on Invalid Pensions.

By Mr. SPARKMAN: A bill (H. R. 15098) to correct the military record of John H. Layne—to the Committee on Military Affairs.

By Mr. STEVENS of Minnesota: A bill (H. R. 15099) granting an increase of pension to L. M. Sherman—to the Committee on Invalid Pensions.

By Mr. VREELAND: A bill (H. R. 15100) to remove charge of desertion from military record of Edwin C. Poole—to the Committee on Military Affairs.

By Mr. WEEKS: A bill (H. R. 15101) for the relief of the Bath Iron Works and others—to the Committee on Claims.

By Mr. WOODYARD: A bill (H. R. 15102) granting a pension to Laura M. King—to the Committee on Pensions.

Also, a bill (H. R. 15103) granting a pension to Dovie Vance—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15104) granting an increase of pension to R. B. Taylor—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 the SPEAKER: Memorial of J. C. Smith, of Chicago, Ill., and Marshall P. Thatcher, of Oxnard, Cal., for a volunteer officers' retired list—to the Committee on Military Affairs.

Also, memorial of Fred Raether Post, Grand Army of the Republic, of Montgomery City, Mo., for legislation to place Missouri Enrolled Militia on the pension roll—to the Committee on Invalid Pensions.

Also, petition of Allied Printers' Trade Joint Conference Board, for removal of duty on white paper, wood pulp, etc.—to the Committee on Ways and Means.

Also, memorial of George H. Hines, of Portland, Oreg., for appropriation to mark the Oregon trail—to the Committee on the Library.

Also, petition of F. K. W. Drury, of Urbana, Ill., against depriving American libraries of privilege of importing copies of any book free of duty—to the Committee on Patents.

Also, petitions of William M. Lewis, of Minneapolis, Minn.; Alfred Nash, of Joliet, Ill.; G. L. Beckley, of Nunda, Ill., and Evans Beake, of Chicago, Ill., for a volunteer officers' retired list—to the Committee on Military Affairs.

Also, memorial of the American Association of Masters, Mates, and Pilots, against H. R. 4771, to remove discrimination against American sailing vessels in the coasting trade—to the Committee on the Merchant Marine and Fisheries.

Also, petitions of Order of National Protective Legion, of Danville, Ill., and Clinton Court, Tribe of Ben Hur, of Kankakee, Ill., against change of postage rate on official papers of benevolent societies—to the Committee on the Post-Office and Post-Roads.

Also, petition of officers of the National Negro Fair, of Mobile, Ala., for an appropriation in aid of its proposed exposition—to the Select Committee on Industrial Arts and Expositions.

By Mr. ADAIR: Papers to accompany bills for relief of Samuel P. Hoeffler, John Webb, and Louisa J. Houk—to the Committee on Invalid Pensions.

By Mr. ALEXANDER of New York: Petition of Local Union No. 9, International Typographical Union, of Buffalo, N. Y., for removal of duty on white paper—to the Committee on Ways and Means.

By Mr. ANSBERRY: Papers to accompany bills for relief of the widows of Dr. James W. Lazear and Dr. James Carroll—to the Committee on Pensions.

Also, petition of American Institute of Electrical Engineers, favoring forest preservation in behalf of water power—to the Committee on Agriculture.

Also, petition of Farmers' Institute of Williams County, for a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. ASHBROOK: Petition of Farmers' Institute of Licking County, for a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, paper to accompany bill for relief of Joseph Marshall—to the Committee on Invalid Pensions.

By Mr. BELL of Georgia: Paper to accompany bill for relief of Mrs. Mary Wheelchel—to the Committee on Pensions.

By Mr. BRICK: Petition of Daniel N. Dressler and others, of Indiana, for a volunteer officers' retired list—to the Committee on Military Affairs.

By Mr. BURLEIGH: Petition of Maine Newspaper Publishers' Association, against ruling of Post-Office Department requiring subscriptions in arrears of payment to be cut off, after a stated period, from second-class rates—to the Committee on the Post-Office and Post-Roads.

By Mr. CALDER: Petition of American Institute of Electrical Engineers, for forest preservation in behalf of water power—to the Committee on Agriculture.

Also, petition of Government Town Site Protective Association, for investigation of Segregated Coal Land Settlers' Association—to the Committee on the Public Lands.

By Mr. CHANEY: Paper to accompany bill for relief of George E. Seneff—to the Committee on Invalid Pensions.

Also, petition of Knox County (Ind.) Educational and Co-operative Union, for a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. COOK of Pennsylvania: Petition of American Institute of Electrical Engineers, for preservation of forests in behalf of water power—to the Committee on Agriculture.

By Mr. COOPER of Pennsylvania: Petition of Asiatic Exclusion League, for an effective law to exclude Asiatic laborers—to the Committee on Immigration and Naturalization.

Also, petition of National Guard Association of Pennsylvania, against wearing uniform of Army and Navy by unauthorized persons—to the Committee on Military Affairs.

Also, petition of storekeepers and gaugers of the Internal Revenue Service, for increase of pay for storekeepers and gaugers and a 28-day vacation—to the Committee on Ways and Means.

By Mr. DRAPER: Petition of American Institute of Electrical Engineers, for forest preservation in behalf of water power—to the Committee on Agriculture.

By Mr. DUNWELL: Paper to accompany bill for relief of August Scheer—to the Committee on Invalid Pensions.

By Mr. ESCH: Petition of American Institute of Electrical Engineers, for forest preservation in behalf of water power—to the Committee on Agriculture.

By Mr. FERRIS: Paper to accompany bill for relief of William T. Rea—to the Committee on Military Affairs.

By Mr. FITZGERALD: Petition of Woman's Interdenominational Missionary Union, for exclusion of opium from the Hawaiian Islands and the Philippines—to the Committee on Insular Affairs.

Also, petition of American Institute of Electrical Engineers, for forest preservation in behalf of water power—to the Committee on Agriculture.

By Mr. FLOYD: Paper to accompany bill for relief of Wilson Graham—to the Committee on Invalid Pensions.

By Mr. FORNES: Petition of Alumni Association of New York Nautical School, against detaching officers of the Navy for duty as superintendents at nautical schools—to the Committee on Naval Affairs.

By Mr. FOWLER: Petition, asking for American registration of steamer *Eva*—to the Committee on the Merchant Marine and Fisheries.

By Mr. FULTON: Papers to accompany bills for relief of John Sonia and A. S. Loudermilk—to the Committee on Invalid Pensions.

By Mr. GOULDEN: Petition of William Gettemy, for passage of H. R. 295, for raise of pay of assistant weighers from \$4 to \$5 per day—to the Committee on Appropriations.

Also, petition of San Francisco Travelers' Commercial Con-

gress, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of National Corps, Army and Navy Union, for increase of pay to officers and enlisted men of the Army and Navy—to the Committee on Military Affairs.

By Mr. GRAHAM: Petition of American Institute of Electrical Engineers, for preservation of forests in behalf of water power—to the Committee on Agriculture.

Also, petition of a citizen of Harrisburg and J. and W. Lyall, favoring H. R. 11562 and S. 2652, for recovery to the Stevens Institute of Technology of \$45,750 paid into the United States Treasury on January 28, 1870—to the Committee on Claims.

Also, paper to accompany bill for relief of John W. Zoerb—to the Committee on Claims.

Also, petition of United Engineering and Foundry Company and Automobile Club of Pittsburg, for H. R. 428, granting automobile tourists a national license—to the Committee on the Judiciary.

By Mr. HAYES: Paper to accompany bill for relief of John H. Sain—to the Committee on Invalid Pensions.

By Mr. HILL of Connecticut: Petition of Bridgeport Typographical Union for removal of duty on white paper—to the Committee on Ways and Means.

By Mr. HINSHAW: Petition of Baker Post, No. 9, Grand Army of the Republic, of Columbus, Kans., for H. R. 13261, increasing pensions for widows of civil and Mexican war soldiers—to the Committee on Invalid Pensions.

By Mr. HOWELL of New Jersey: Petition of Local Union No. 323, Allied Printing Trades, of Hoboken, N. J., for removal of duty on white paper—to the Committee on Ways and Means.

By Mr. HUBBARD of West Virginia: Paper to accompany bill for relief of Charles E. Strother (previously referred to the Committee on Invalid Pensions)—to the Committee on Pensions.

By Mr. ADDISON D. JAMES: Paper to accompany bill for relief of Joseph Dobson—to the Committee on Military Affairs.

Also, paper to accompany bill for relief of John F. Johnson—to the Committee on War Claims.

Also, paper to accompany bill for relief of Fannie C. Poynter—to the Committee on War Claims.

Also, paper to accompany bill for relief of Enoch M. Brown—to the Committee on Invalid Pensions.

By Mr. KAHN: Petition of James A. Garfield Post, No. 34, Grand Army of the Republic, of San Francisco, for pensions of \$40 per month for veterans of the civil war—to the Committee on Military Affairs.

Also, petition of Gantner & Mattern Company, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of San Francisco Commercial Travelers' Association, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of H. E. Baker, of San Francisco, Cal., favoring exclusion of all Asiatics—to the Committee on Immigration and Naturalization.

By Mr. KELIHER: Petition of American Institute of Electrical Engineers, for forest preservation in behalf of water power—to the Committee on Agriculture.

By Mr. KNOWLAND: Petition of Commercial Travelers' Congress, against parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. LEWIS: Paper to accompany bill for relief of heirs of C. M. Lucas—to the Committee on War Claims.

Also, paper to accompany bill for relief of Lewis F. Hicks—to the Committee on War Claims.

By Mr. LINDSAY: Petition of Government Townsite Protective Association of Oklahoma, for Congressional investigation of the Segregated Coal Land Settlers' Association of Oklahoma—to the Committee on the Public Lands.

Also, petition of Alumni Association of the New York Nautical School and William Kulmlle, against detaching officers of the Navy from duty as superintendents of the nautical school—to the Committee on Naval Affairs.

Also, petition of Commercial Travelers' Congress, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of American Institute of Electrical Engineers, for preservation of forests—to the Committee on Agriculture.

Also, petition of Homeopathic Medical Society of New York, asking for favorable action on H. R. 6089, relative to pharmacopœia of the homeopathic schools—to the Committee on Agriculture.

By Mr. LOUDENSLAGER: Petition of Presbytery of West Jersey, for the Littlefield original-package bill—to the Committee on the Judiciary.

By Mr. MCKINNEY: Petition of American Institute of Elec-

trical Engineers, for forest preservation in behalf of water power—to the Committee on Agriculture.

By Mr. MOON of Tennessee: Paper to accompany bill for relief of William F. Anderson—to the Committee on Invalid Pensions.

By Mr. NYE: Petition of Rev. H. P. Grimsby, of Minneapolis, for the Littlefield bill, to prohibit shipment of liquor into prohibition States—to the Committee on the Judiciary.

By Mr. OLCOTT: Paper to accompany bill for relief of Philippine Stelzle—to the Committee on Invalid Pensions.

By Mr. OVERSTREET: Petition of Nordyke & Marmon Company, favoring H. R. 428, providing for national registration of automobiles—to the Committee on the Judiciary.

By Mr. PAGE: Paper to accompany bill for relief of Samuel S. Hunter—to the Committee on Invalid Pensions.

By Mr. PETERS: Petition of Boston customs-house clerks, for increase of salaries—to the Committee on Ways and Means.

By Mr. RIORDAN: Petition of American Institute of Electrical Engineers, for forest preservation as protection to water power—to the Committee on Agriculture.

By Mr. SHACKLEFORD: Petitions of Central Labor Union and Bartenders' Local No. 531, of Jefferson City, Mo., favoring Government ownership of telegraph lines—to the Committee on the Post-Office and Post-Roads.

Also, petition of Jefferson City Typographical Union, for removal of duty on white paper—to the Committee on Ways and Means.

Also, petitions of Central Labor Union and Bartenders' Local No. 531, of Jefferson City, Mo., for removal of Charles A. Stillings from the office of Public Printer—to the Committee on Printing.

By Mr. STEPHENS of Texas: Paper to accompany bill for relief of Martha F. Arnold—to the Committee on War Claims.

By Mr. WANGER: Petition of American Institute of Electrical Engineers, for forest preservation in behalf of water power—to the Committee on Agriculture.

By Mr. WEEKS: Petition of William Emery and others of Milford, Mass., for a volunteer officers' retired list—to the Committee on Military Affairs.

By Mr. WOOD: Petition of American Institute of Electrical Engineers, for preservation of forests in behalf of water power—to the Committee on Agriculture.

Also, petition of New Jersey Chapter of the American Institute of Architects, against change of present location of the Grant Monument—to the Committee on the Library.

By Mr. WOODYARD: Petition of Andrew Mather Post, No. 14, Grand Army of the Republic, for legislation granting every Union soldier of the civil war a pension of \$30 per month—to the Committee on Invalid Pensions.

HOUSE OF REPRESENTATIVES.

FRIDAY, January 24, 1908.

The House met at 12 o'clock noon.

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

The Journal of the proceedings of yesterday was read and approved.

SITTING OF UNITED STATES CIRCUIT AND DISTRICT COURTS IN GAINESVILLE, FLA.

Mr. CLARK of Florida. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 14779) to transfer the county of Alachua, in the State of Florida, from the southern to the northern judicial district of that State and to provide for sittings of the United States circuit and district courts for the northern district of Florida at the city of Gainesville, in said district.

The Clerk read the bill, as follows:

Be it enacted, etc., That the county of Alachua, in the State of Florida, which is now in the southern judicial district of said State, be, and the same is hereby, transferred to and made a part of the northern judicial district of said State.

Sec. 2. That all causes, civil and criminal, which arose in said county of Alachua and which are now pending in the courts of said southern judicial district of Florida shall remain and be disposed of in said courts, and all persons who have committed offenses against the United States in said county shall be prosecuted and tried as though this act had not been passed.

Sec. 3. That there shall be held at the city of Gainesville, in the said county of Alachua, terms of both circuit and district courts for said northern district of Florida on the first Monday in May and on the first Monday in December of each year.

Sec. 4. That suitable rooms and accommodations shall be furnished for holding said courts free of expense to the Government of the United States until such time as a Federal building shall be prepared for that purpose in said city of Gainesville, in the State of Florida.