

LEAVE OF ABSENCE.

Pending the motion to adjourn—

Mr. PARSONS was granted leave of absence for two weeks on account of important business.

Mr. HARRIS, of Massachusetts, was granted an extension of leave of absence for ten days from Monday next.

SESSION OF SATURDAY.

The SPEAKER *pro tempore*. By order of the House the session of to-morrow will be for debate only as in Committee of the Whole, no business whatever to be transacted. The gentleman from Illinois, Mr. EDEN, will occupy the chair as Speaker *pro tempore*.

The motion to adjourn was then agreed to, upon a division—ayes 127, noes 84; and accordingly (at four o'clock and thirty-five minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk under the rule, and referred as stated:

By Mr. BRADLEY: The petition of M. Rutan, R. C. Miller, and other citizens of Greenville, Michigan, for the appointment of a commission of inquiry concerning the alcoholic liquor traffic, to the Committee of Ways and Means.

By Mr. DUNNELL: The petition of H. K. Belding, for pay for carrying the United States mails, to the Committee on the Post-Office and Post-Roads.

By Mr. EVANS: Papers relating to the claim of John Fletcher, for pay for cattle taken from him by Cheyenne and Arapahoe Indians while he was in the United States service, to the Committee of Claims.

By Mr. HANCOCK: Papers relating to the claims of A. V. Neely, Jerome McAlister, John Jackson, Henry C. Smith, Thomas J. Rhoads, Z. W. Rains, John Lorn, and W. A. Westover, for damages sustained by reason of Indian depredations, to the Committee on Indian Affairs.

By Mr. HARTZELL: The petition of H. T. Finley and other citizens of Sanburn, Illinois, for the appointment of a commission of inquiry concerning the alcoholic liquor traffic, to the Committee of Ways and Means.

By Mr. HOLMAN: The petition of Albert Grant, of Washington City, District of Columbia, for an inquiry into the judicial conduct of Hon. Andrew Wylie, an associate justice of the supreme court of the District of Columbia, to the Committee on the Judiciary.

By Mr. HOSKINS: Petition of the Tonawanda Lumber Association and 126 citizens of New York, for the survey of Tonawanda Harbor, in the Niagara River, to the Committee on Commerce.

By Mr. HUNTON: Papers relating to the claim of B. T. Swart, for pay for timber and farm used by the United States Government, to the Committee on War Claims.

Also, the petition of V. G. Austin, for pay for property taken, used, and destroyed by the United States Army, to the same committee.

By Mr. JENKS: The petition of William Parks, for a pension, to the Committee on Invalid Pensions.

By Mr. JOYCE: The petition of the Grand Lodge of Good Templars of Vermont, signed by the officers thereof, representing 6,000 citizens, for the appointment of a commission of inquiry concerning the alcoholic liquor traffic, to the Committee of Ways and Means.

By Mr. LYNDE: The petition of William C. King, H. H. Hurlburt, and other citizens of Pottsville, Wisconsin, of similar import, to the same committee.

By Mr. McDILL: Memorial of certain settlers on homestead lands near Fort Dodge, Iowa, reciting that after pre-empting these lands and improving them they were ascertained to belong to the State of Iowa by a patent dated ten months previous to said pre-emption, and praying for indemnity and that other lands be granted them, to the Committee on Public Lands.

By Mr. McFARLAND: The petition of Elizabeth Fulks, for a pension, to the Committee on Invalid Pensions.

By Mr. McMAHON: The petition of George Fritz, for a pension, to the same committee.

By Mr. POWELL: The petition of Clarence W. Cole and 41 others, late soldiers, that every soldier who served thirty days in the Army or Navy shall receive one hundred and sixty acres of land and \$200 in money, to the Committee on Military Affairs.

By Mr. JOHN REILLY: The petition of 75 citizens of Blair County, Pennsylvania, that aid be granted a southern railroad to the Pacific, to the Committee on the Pacific Railroad.

Also, the petition of soldiers of the seventeenth Pennsylvania district, that a bounty of one hundred and sixty acres of land and \$200 be granted all soldiers and sailors who served thirty days or over in the United States service, to the Committee on Public Lands.

By Mr. SAVAGE: The petition of James K. Parker, James D. Baker, and other citizens of Monroe, Claremont County, Ohio, for the appointment of a commission of inquiry concerning the alcoholic liquor traffic, to the Committee of Ways and Means.

By Mr. SEELYE: The petition of the Boston Society of the Medical Sciences, for the adoption of the metric system of weights and measures, to the Committee on Coinage, Weights, and Measures.

By Mr. SOUTHARD: The memorial of J. S. Wheeler and 75 other citizens of Zanesville, Ohio, for Government aid to be extended to a south-

ern line of railroad to the Pacific, to the Committee on the Pacific Railroad.

Also, the memorial of Joseph Griffith and 62 other citizens of Licking County, Ohio, of similar import, to the same committee.

By Mr. STONE: Memorial of 284 merchants of the city of Saint Louis, Missouri, for the passage of the bill now pending before Congress to promote the construction of the Texas and Pacific Railroad, to the Committee on the Pacific Railroad.

By Mr. THORNBURGH: Papers relating to the claim of the Mossy Creek Baptist church, for pay for lumber and materials furnished the United States Army, to the Committee on War Claims.

By Mr. TURNEY: The petition of citizens of Pennsylvania, Ohio, West Virginia, Kentucky, and Indiana, for the improvement of the Ohio and the maintenance of its waters in the best navigable condition, and for the immediate construction of the Monongahela wire bridge, to the Committee on Commerce.

Also, the petition of citizens of Greene County, Pennsylvania, for the prompt and unconditional repeal of the specie-resumption act known as the Sherman bill, to the Committee of Ways and Means.

By Mr. VANCE, of Ohio: The petition of citizens of Logan, Hocking County, Ohio, that aid be extended the Southern Pacific Railroad, to the Committee on the Pacific Railroad.

By Mr. WALKER, of Virginia: The petition of N. B. Clarke, for compensation for one hundred and fifty bushels of wheat destroyed by United States troops, to the Committee on War Claims.

By Mr. WALLING: The petition of Samuel Thomas, C. Lewis, and others, that aid be extended the Texas Pacific Railroad, to the Committee on the Pacific Railroad.

By Mr. WHITING: The petition of Rev. T. H. Tabor, Paul Newton, and other citizens of Yates City, Illinois, for the appointment of a commission of inquiry concerning the alcoholic liquor traffic, to the Committee of Ways and Means.

HOUSE OF REPRESENTATIVES.

SATURDAY, February 19, 1876.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. I. L. TOWNSEND, D. D.

The Journal of yesterday was read and approved.

ORDER OF BUSINESS.

The SPEAKER *pro tempore*, (Mr. COX.) The Chair will state that to-day is set apart by order of the House for debate only as in Committee of the Whole, no business whatever to be transacted. The gentleman from Illinois [Mr. EDEN] will occupy the chair.

RESUMPTION OF SPECIE PAYMENTS.

Mr. CHITTENDEN Mr. Speaker, I have the honor to represent here a large, compact, and intelligent constituency, actively engaged and deeply interested in the honest commerce of the country, who have suffered severely for eight years from a depreciated currency. The question of good money has become of vital importance to them, and they regard it as equally so to the whole country, and look with eagerness to this Congress for such practical wisdom in legislation as the case imperatively demands.

We see, sir, with our own eyes that a disease of some sort has fastened upon all the material interests of our country. It touches already nearly every man and every home in the land. Its victims are not by any means diminishing. Is it not our duty as intelligent and faithful representatives of the people to find out the nature of this disease and apply the true remedy? Can we do this too quickly for our own honor or our country's welfare?

There is a popular theory, Mr. Speaker, that my subject has been plowed and harrowed until no spot remains untilled. But that is a great and grave mistake. I think contraction a field too long neglected, and at enormous cost. I differ radically with the gentleman from Pennsylvania. In my judgment the legal-tender debt of the United States is the root of that towering growth of speculation, extravagance, and taxation which threatens to sweep us all into an abyss of ruin. The real question is how to dispose of the legal-tender debt? This is the most momentous question that Congress or the people have ever had to consider except the question of slavery. It is the supplement and sequel of the war for the Union. It confronts and hinders the restoration of confidence. It is a menace to-day, to the integrity of the nation, and if it must continue to oppress the people and blast the commerce of a country which of itself is God's fairest heritage, I am not disposed to be any wise responsible for it.

I regard our mixed currency system as a three-fold anomaly. In the first place, we have the legal-tender notes, a device and invention of war—as truly a war measure as the building of forts to protect this Capitol or the construction of the monitor with which Worden fought the Merrimac. These notes were issued for war supplies when the Government of the United States had no money, precisely as the confederate government issued its notes for war supplies when it had no money. In either case the notes represent exactly the same thing, namely, the waste of war, and the chances of war have determined the present value of one and the worthlessness of the other.

In the second place, we have banks founded with real capital, in general harmony with the genius of our free institutions and the demands of honest commerce, issuing currency every dollar of which is secured by gold-interest-bearing bonds at 90 per cent. of their par value, which bonds it is important to remember sell in the chief marts of the world for more than par in gold itself.

In the third place, by an act of Congress the bank currency I have described, every dollar of which has in fact more than a dollar in gold back of it, is redeemable in notes which are useless for the liquidation of debts beyond our national boundaries, and only of value within them because the law through a forced and unnatural reading of the Constitution has made them legal tender. Such, Mr. Speaker, is our "philosophical" system of currency, if the gentleman from Pennsylvania will loan me his descriptive term, eleven years after the close of the war. I make no comments; but hope I may be pardoned for saying that I enjoyed the "collision" which occurred here the other day in referring it to two committees.

I gladly assume that the people have declared, at least in the abstract, for an early resumption of specie payments; and I also believe that the great majority are educated and prepared to discard all shams and contrivances and support their representatives in such legislation as the present exigencies demand. Congress resolved last winter to resume in 1879; but everybody can see now that something more is necessary. To resume coin payments after what has happened is a process, a series of actions, a work for time and natural forces properly called into play. No man can tell how long it will take; neither is it important to know, if only we begin right.

The law of January 14 embodied some fractions of good, for which let us be thankful. For one thing, it disposed of the supremely ridiculous currency-distribution business, which had sorely vexed Congress for nearly half a generation; and, when rightly understood, it clearly provides currency enough, and not too much, as I shall presently show, wholly independent of legal-tender. It also secured a temporary equilibrium, a sort of armistice, between the opposing forces of rectitude and repudiation. But the equilibrium is unstable. We cannot stand where we are. We must advance with courage, or our vantage ground will be lost. How, then, shall we advance? The answer to this question seems to me now as clear as sunlight. Our way is as the strait gate! We have to renounce our folly. We have to turn from the crooked and blind ways of schemers, and dreamers. A mountain of vicious legal-tender debt confronts us. We can neither get round it nor provide for it in a lump. We must hew it away to the level of truth, honor, and common sense, and there, and there only, can we stand to rebuild and restore the waste places. We must fund the legal-tender debt. Not in 3.65 permanent bonds, because there is no money in this country in its normal healthful condition to invest at that rate of interest. Not in interconvertible bonds, for many reasons, but especially because such funding is only another name for the most unique and gigantic machine for speculation ever invented. With it any one of a score of great operators in Wall street might control at will, with absolute precision, from week to week, for private ends, the bank reserves of the metropolis, with such results to the business of the whole country as I need not stop to foreshadow. We must fund the legal-tender notes permanently at the minimum popular rate of interest, not too fast, but steadily, year after year, until they are extinct. And why not? Are they not an unnatural product? Were they not born of an extreme exigency, now happily passed away, when the noise of battle was on sea and land? Was it not explicitly provided when they were first issued that they should at all times be fundable at the option of the holder? Would their authors or Congress have tolerated them for a moment but for such promise? Surely I need not stop for an instant to answer these questions.

But have we not too much currency? The gentleman from Pennsylvania says "No" with great emphasis. Let us look into that a little. And here I challenge candid and intelligent attention, not to any mere argument of mine, but to testimony, which is always better than argument.

First, I wish to call your attention, as I have promised, to the fact that with legal-tender notes withdrawn we are sure to have currency enough under existing laws. More than two thousand national banks now doing business, and new banks without limit, are at liberty to issue all the currency that can be profitably employed whenever and wherever it is needed and called for by legitimate commerce. This is the law, and it is right. It is also decisive, absolutely so. The banker is as free to establish his bank and issue currency on a sound basis as the merchant is to invest his capital in cotton or iron, as the farmer is to plow more acres or breed more sheep. In the name of reason, is not that enough? When it was first proposed to give the banks all this liberty, it was widely held to mean inflation of the most gigantic proportions, and there are some who yet so regard it. But I think experience has shown that bankers as a class are no more idiots than other men; and while the law requires them to put up for every dollar of currency issued that which will sell for a gold dollar both at home and abroad, there is no more danger of excessive issues than there is danger that Mr. Vanderbilt and Mr. Scott will amuse themselves by laying gold tracks for their railway trains.

To avoid misapprehension let me say here that I have had no personal interest in any national bank for many years, but I regard the hue and cry against them as unintelligent and unworthy of serious

notice. A good many of them will have to go into liquidation, but others, better managed, will take their places when needed. We cannot dispense with such banks as merchants need any more than we can dispense with savings-banks, and when we war upon or abolish either it will be in regular order for Congress to enact that our carriages shall go without wheels and our farms go without the plow and the reaper.

And now, Mr. Speaker, I call your attention to facts of history which demonstrate and show conclusively, if experience proves anything, that we shall never find a basis for confidence and fresh enterprise until we have largely contracted our currency. In the crisis of 1837 the banks of the State of New York suspended specie payments on the 10th of May. To save their charters they were compelled to resume on or before the 10th of May, 1838. They did so resume, and in doing it they contracted their issues from \$25,500,000 on the 1st of January, 1837, to \$13,000,000 in round figures on the 1st of January, 1838. Here, sir, is a case where the leading State of the Union, thirty-seven years ago, compelled its banks to keep faith with the holders of their paper, the doing of which forced them to contract nearly 50 per cent. in a single year; and the point to be observed and remembered is that there was no complaint. The dead were buried; the living were supported, and confidence and hope revived.

I have no doubt, sir, but the gentleman from Pennsylvania disapproved when he read the proposition of the Secretary of the Treasury to fund the legal-tender debt at the rate of two millions a month, or \$24,000,000 in a year. But think of it! New York in 1837, with less than \$26,000,000 out, withdrew twelve and a half millions in a year, and was ready at the close of it to redeem the rest on demand. The grand Republic in 1876, the centennial year, with \$372,000,000 of debt under protest, with the people everywhere crying out for relief, proposes, through its minister of finance, to pay at the rate of two millions a month, and a man can be found in Congress to oppose it!

Well, sir, I know the gentleman is sincere. His own State in 1837 enjoyed the sunset glories of the old United States Bank. That concern was a ruin at the time, and could not pay its debts, and his State did not resume with New York. A year or two later on, this favored Government paper machine, in its death struggles, sold its rags to the extent of ten millions or more to New York, and nearly broke us again. If the gentleman is consistent, he will say, and maintain as best he can, that New York made a frightful blunder in contracting in 1837, and brought unnecessary ruin upon her people. But he will convince no one of that.

The banks of the whole country suspended again in 1857, and resumed, generally, in the following year; and it is important for our purpose to compare the contraction and its immediate consequences in that crisis with the inflation which followed the panic of 1873 and its consequences.

The paper circulation of the whole country in 1857 was \$215,000,000. In 1858 it had contracted to \$156,000,000. The bank loans in 1857 were \$685,000,000; in 1858, \$583,000,000. Here is contraction of \$59,000,000 in circulation, and \$102,000,000 in bank loans; an aggregate of \$161,000,000 in one year.

Note the consequences of this sharp contraction. It was a fierce but short struggle, in which rotten banks and speculators of every name and bankrupt merchants and manufacturers were denied accommodations and forced to break and adjust their affairs. On the other hand, the solvent and honest, with rare exceptions, found all the help they required, with such sacrifices as they cheerfully accepted, to maintain their credit. In the exceptional cases, those who were really solvent promptly recovered from temporary embarrassments.

The result was as natural as the growth of grass in spring-time, and may be as easily understood. Capital, always timid and watchful, saw that the wrecks of a wild speculative epoch were cleared away, and thus confidence was rapidly re-established, so that the two years from July, 1858, until the war clouds appeared, are properly spoken of as among the most prosperous in our history.

We come now to the panic of 1873, and I propose to contrast the issues of that with the history I have just recited. The law of June 20, 1874, nine months after the crash, instead of providing for the gradual payment of the legal-tender debt, as it should have done, made a new injection of twenty-six millions of it into our "philosophical" currency system, whereby bank credits were lawfully and enormously enlarged. And the law of January 14, 1875, enacts that Government shall pay off its legal-tender debt only at the rate of 80 per cent. of the fresh issues of bank currency by its subjects! Here it will be observed that in both its great financial measures since the panic of 1873 Congress clings to the fatal and preposterous theory that more currency is the cure for the ills we suffer; and that, too, in the face of a reduction in the volume of business transactions equal to more than one-third (I speak within bounds) of the whole business of the country, and also in the face of enormous and unprecedented shrinkage in values, already far in advance of those of 1857, but still going on and on!

Here again, sir, is testimony which is more than argument. We had contraction, sharp, vehement, in 1857. Confidence and enterprise were restored in 1858. We had wild inflation in 1873 and 1874. In 1876, confidence and enterprise are lost!

Such is the contrast. Why does it exist? I will tell you why.

In 1857 we had no dishonored legal-tender debt—another name for Government machinery for tiding over all forms of extravagance and

bankruptcy—as we had in 1873 and still have. The race of brilliant men who now wait for trade to grow up to a volume of currency largely in excess of that in use at the climax of the railway mania had not then become powerful. Bank credits and currency were then left to respond to natural laws, as they do not now. The figures and statements I have given you are startling, but they are also true, and it is high time for Congress to know the truth and respect it.

But, says an objector, the crash of 1873 differed from that of 1857. It had wider proportions, and required different treatment. But did it? Principles are eternal! Your child has a broken leg. Your good surgeon comes in with his splints and bandages, and cures it in the regular way. Next month your house falls down, and the arms and legs of your household are all broken. The same surgeon calls, and he treats all as he treated one, or you will have a family of cripples. You meet a dozen men starving in the street, you give them bread and they live. To-morrow you meet a hundred, and because there are a hundred will you feed them with stones that they may die?

I fearlessly affirm that there is not one argument in support of the present volume of currency which is not equally tenable to justify its indefinite expansion on the flimsiest pretext.

No man, for example, in his right mind will pretend that it required as much money to buy sixty tons of railroad iron at \$50 per ton in 1875 as it did to buy one hundred tons of the same thing at \$75 per ton in 1872. These figures fairly represent the comparative prices of railroad iron and the quantities in use in the respective years. I might give a thousand such examples; but one is as good as a thousand for my purpose; the rest are known and read by all men. A child can understand that a merchant who employs ten ships or ten men to do the appropriate work of six will reap nothing but loss while the folly is persisted in.

Unless all economic laws known and accepted by us prior to the war have been abrogated or reversed; unless the sun itself is turned back; unless we are hereafter to cultivate strawberries in ice-houses, and plow our fields with the heads of our horses harnessed to the whiffletrees; unless we are in the future to build our houses without foundations, and navigate the seas in paper ships; we shall never restore confidence and solid enterprise to our country until we make a final and irreversible decree against the legal-tender debt abomination, leaving the commerce of the country free to fix its own laws in respect to the volume of currency and bank credits. The case is so clear, Mr. Speaker, that I almost feel it to be an impeachment of the common sense of the House to argue it seriously. The laws which govern it are as immutable as the force which turns the earth upon its axis. The commerce of the country is stuffed to death with the unkept promises of Government. Yes! with the broken promises of the United States, whose flag is the symbol of honor and power everywhere save at home!

Disguise it as we may, there is but one remedy for existing evils. We suffer through dishonor. We shall begin to prosper when we become honest, and not before.

Is it not enough that all, or nearly all, good investments, good enterprises, and solvent interests have suffered severely for more than two years because some people thought the plague of legal-tender would restore impossible values, in the interest of the unfortunate, the reckless, or the wicked? Is there a true sign in any direction of a restoration of confidence and the profitable employment of capital now idle, so long as the present condition of the currency continues? Not one, such sign that I can discover.

It is idle to talk of paying legal-tenders in coin in 1879 without steadily funding them prior to that. There is nothing in history, nothing in the present commerce of the world, nothing in our own matchless resources, unless we find where to mine gold and silver pure as we cut the granite, to warrant the hope that we can borrow or hoard gold enough to resume and maintain coin payments with our present volume of currency. Our foreign debt and enormous taxes at home forbid all such schemes. Resumption by Government means resumption by two thousand national banks. To think of that under existing circumstances is to think without reasoning, and to ignore history, experience, and common sense.

But some one may inquire what besides funding? What shall the banks redeem in? We are in a wilderness of excessive currency, and though our way out is perfectly straight and no longer obscure, there are some chasms to be crossed only as we reach them. All present indications point to the voluntary surrender of national-bank notes for the next year or two more rapidly than required to preserve easy relations to the redeeming agent. When the clause requiring the banks to redeem in legal-tender shall be repealed, the time should be fixed for them to redeem in coin. For the present, funding with due caution is our chief and only concern. We know it to be right. We promised to do it, and if we know anything about it we can see that there is no other way to dispose of legal-tenders so easily. We had, sir, in the years first succeeding the close of the war, ample surplus revenues, which might have been used to pay off the legal-tender debt, and the failure so to apply them is an ineffaceable blot upon the statesmanship of our time. But surplus revenues are no more for us! Some other method must be devised. My proposition is, to authorize the issue of four millions of bonds per month for eight months of each year, beginning with February and including September, the bonds to run forty years, bearing interest at a rate of not exceeding 4½ per cent. per annum, and to be sold to the highest bidder on the first Tues-

day of the month for legal-tenders, the latter to be immediately destroyed. This seems to me to be a feasible, conservative, honest, and effective measure. Nobody can mistake its meaning or its scope. It means clear away the wrecks with all proper forbearance. It means bury the dead that the living may continue to live. It means legislation for those who live by hard work and on fixed salaries, instead of legislation exclusively in the interest of gamblers and hopeless bankrupts; and just here is the line of battle, henceforth, both in and out of Congress. Finally my proposition, simple as it is, means specie payments, perhaps not in 1879—I think not—but as soon as practicable.

How long, Mr. Speaker, shall the precious resources of our country be trifled with? Shall Congress, year after year, waste its time in debating mere paper contrivances unknown to experience, which no mortal man can explain to the common intelligence? Are we to assume that the people of this country consent to be given over to shams and delusions? Debt is not money! Surely it is not. The legal-tender debt of the United States is not good money! If we persist to the contrary, the time will come when our money will be inconvertible, or at least of equal value with confederate money. That is the kind of inconvertible money we are in danger of having! Seven thousand seven hundred and forty commercial failures on record for 1875, and a good many more unrecorded! For January, 1876, the number far exceeds that of the corresponding period of last year! The gentleman from Pennsylvania attributes these disasters in large measure to the contraction of the currency under the resumption bill of last year. But he is greatly mistaken. He might with equal reason, in my humble judgment, charge them to the amnesty bill of his colleague, not yet a law, and I will undertake to prove that, if called upon, to either of the committees having in charge the "philosophical" currency of the gentleman. Let the gentleman try an experiment. Let him sink countless ships all along the channel of the Potomac, from the bridge to its mouth, and then with his splendid rhetoric, and polished sentences, invite clear-headed navigators in command of good ships outside to make sail over his wrecks. Will one of them accept the invitation? Not one. No more, sir, shall capital and fresh enterprise traverse the wrecks which the neglected legal-tender debt has made and still conceals.

If this Congress shall achieve the enviable distinction of re-establishing the national honor by re-affirming the principle of funding, those who return here next year will find light breaking everywhere. No prophet can tell the ruins yet hidden and which must be revealed as a primary indispensable condition of a restoration of confidence.

Some say, If you fund the legal-tender debt you will lose interest you are now saving. Well, sir, that argument appeals to some minds, and may be reputed to here for aught I know; but in the counting-room of a reputable commercial establishment it should be regarded as worthy of a highwayman. What is the plain English of it? Just this: The rich debtor, having enjoyed his forced loan for a dozen years without a cent of interest, with icy audacity telling his impoverished creditors that he will not recognize his obligation because he cannot yet bring himself to pay interest. That is it precisely. True, you have saved nearly twenty millions a year, and the saving has cost the people two or three hundred millions a year. It has cost them their right to work and prosper. No man escapes. The idle bricklayers recently begging for work in one of our chief cities, and obtaining at the same time that they might become criminals to obtain daily food, have lost their all. Yes, Mr. Speaker, the whole people suffer consciously or unconsciously, and will continue to suffer until the curse of the legal-tender debt is removed.

A few words more and I have done. On the 18th of December, 1865, the House of Representatives of the Thirty-eighth Congress voted, 144 to 6—a very significant vote—to its everlasting honor, to withdraw legal-tender preparatory to a resumption of specie payments.

I do not intend to say anything extravagant or sensational here; but when that law for contraction was repealed in 1868, I believed the act repealing it would cost the country more than the war for the Union had cost up to that time. I am sure now that I was right in that opinion. I am aware, Mr. Speaker, that this is a case which admits of no close computations. There is no arithmetic equal to the task. Its very vastness is the true and only measure of the calamity. What we do know is that our magnificent heritage, alive with forty millions of free souls, and full of the richest gifts of nature's God, has been, for eight long years, given over to gambling and waste, and the end is not yet! Not yet! We know that the shadows are deeper and the victims more numerous than they were when we came up here last year. We also know that the battle between honor and dishonor is not ended.

The thing we need is an intelligent apprehension of the present condition of the country, and courage to do our whole duty as becomes representatives of the American people, without any reference whatever to the next presidential election.

Mr. KELLEY obtained the floor.

The SPEAKER *pro tempore*, (Mr. EDEN.) The gentleman from Pennsylvania [Mr. KELLEY] desires not to be interrupted during his remarks. The Chair therefore requests that no one interrogate the gentleman until he has concluded.

Mr. KELLEY. Mr. Speaker, it is proper that I should express my thanks to the House for having set apart this session for debate, thus enabling me at this early day to perform my duty to the million of republican voters who were wounded and grieved by the tenor and

drift of the remarks of the gentleman from Maine, [Mr. BLAINE,] as well as by many of his express allegations. This duty, though cheerfully assumed, is not a grateful one. For twelve years the gentleman and I have been associated on this floor, and I have been attached to him by more than mere party ties. Though many years my junior, I have found pleasure in regarding him as my leader, and have ever been glad to promote his advancement. Having found him on the side of the weak and oppressed throughout the great struggle now so happily terminated, I could not credit the rumors which prevailed at the opening of this Congress that he proposed to make an aggressive, hard-money speech, and was pained when I heard the Clerk read the resolution offered by his colleague and trusted friend [Mr. HALE] on the 15th of December, declaring that prompt legislative measures should be taken to render the ill-judged act providing for the resumption of specie payments on the 1st of January, 1879, effective "by placing in the hands of the Secretary of the Treasury whatever power may be necessary to that end," and saw my friend give it his active support.

The sad condition of my constituents, who are mostly skilled workmen, in establishments involving hundreds of millions of capital invested in land, buildings, machinery, and raw materials, when I returned to my district at the close of the Forty-third Congress alarmed me. It seemed to imperil the welfare of my country and the continued supremacy of that party which had brought it safely through the great and protracted trial by battle which was finally to determine that the United States constitute a nation to which American citizens owe primary allegiance. In the presence of this grave apprehension I devoted my time thenceforward till the assembling of this Congress to the promotion, by the use of voice and pen, of such a sentiment as would rescue the republican party from responsibility for a financial policy which was inaugurated by President Johnson's Secretary of the Treasury, Hugh McCulloch, and which has paralyzed the energies of the American people; deprived enterprise of a field for undertaking in every part of our broad country; suspended industry and curtailed production; reduced the value of every species of property save untaxed Government loans, thus bankrupting solvent manufacturers, merchants, bankers, savings-banks, and other corporations; which has robbed old men of the garnered results of long lives of industry, thrift, and probity, and deprived youth of just training for honorable pursuits in manhood by dooming it to enforced idleness; has reduced hitherto prosperous employing mechanics to poverty, and industrious laborers to pauperism; has added fearfully to the list of suicides, crowded insane asylums with suddenly impoverished patients, and opened as their only refuge station-houses and houses of correction to thousands of men and women who would find happiness in enduring the penalty of the primal curse could they be permitted to earn their bread in the sweat of their brow. Between the gentleman and myself there can be no co-operation on this subject, and here and now, in the name of more than a million of republicans who ascribe all these terrible consequences to the attempt of the Government of a debtor nation, whose debt is largely held by citizens of foreign countries, to effect the resumption of specie payments by contracting a volume of money already too restricted for the demands of our trade—in their name I protest against his right to speak in this behalf for the republican party and to exclude from its folds whosoever may dissent from the plausible but impracticable dogmas formulated by schoolmen and abstractionists which enslave his quick and powerful intellect, and against his right, when assuming so to speak, to charge that those who favor the repeal of the law under which the debtor and laboring classes are being ruthlessly destroyed with demanding the perpetuation of an irredeemable paper currency and with menacing the honor of the Government and the prosperity of the American people.

Nor, Mr. Speaker, must my protest end here, for the more, far more than a million honest, earnest republicans for whom I speak will reproach me if I fail also to protest in their name against his apologetic concession that the law providing for the issue of legal-tender paper money is constitutional, or to deny the correctness of his assertion that in the acts providing for its issue "the Government" "called to its aid a power never before exercised." They will also expect me to repel his often reiterated denunciation of all who protest against the repeal of the legal-tender clause as inflationists. They know that production, consumption, and the commerce by which the products of labor are transferred to the consumer are the basis of popular prosperity and the public revenue, and that these exchanges require a competent medium of exchange in adequate volume, and they, therefore, desire to keep such notes in circulation, as France wisely does the inconvertible paper money she issues in time of war, or under other exigency, until a favorable balance of trade has brought into the country an equal amount of gold and silver and converted it into coin.

Sir, having thus protested against the right of the gentleman to speak on this subject as he assumed to speak, for the republican party, let me proceed to examine his remarks somewhat in detail. This is not a pleasant duty, for I shall have to show that his allegations are loose and often unfounded, his deductions illogical and inconsequential, and his conclusions untenable.

Is there any doubt of the constitutional power of Congress to establish paper money and make it legal tender? The Supreme Court of the United States settled this question by confirming the constitu-

tionality of the acts referred to by the gentleman, and in doing so left no room for such eloquent but irrelevant suggestions in support of the measure as he would rest it upon by quoting language imputed to John Milton. Not only does the Constitution empower Congress to emit such money, but lays upon it the duty to do it when the exigencies of the people or Government require, as it had already twice done in time of peace, and may be compelled by any of several causes to do again and from time to time. Does the gentleman hold that the Government may delegate the execution of a power which it does not possess? That it may not he will admit to be an axiomatic and indisputable proposition, yet he must remember that in both acts creating banks of the United States Congress delegated the power of issuing notes which should be a legal tender in payment of all debts and obligations due the Government, and therefore have the quality of general acceptability as money by all the people of the country.

These precedents, sustained by frequent decisions of the Supreme Court, must have done much to mitigate the agony under which the gentleman would have us believe distinguished Senators voted for the legal-tender bill, when without the money established by it the Government would have been hopelessly helpless. But, sir, had these precedents not existed, the process of reasoning by which the power and duty to furnish the Government and people with money at a time when the Government, the banks, nor the people could obtain specie from any quarter in exchange for any species of property, or upon any security, was so simple and conclusive that it doubtless occurred to every Senator. The argument was stated thus by my late townsman and friend, Sidney George Fisher, in an article which appeared in the North American Review for July, 1864:

One power which every government of a civilized people must possess is that of providing both for itself and for the people a circulating medium, for the simple reason that it is a matter of absolute necessity to both which the government alone can supply. A circulating medium which the people do in fact use, which both they and the government, by reason of controlling natural causes, must use, is the currency to which the power and the duty of the government must apply. Whether it be made of paper, or leather, or iron, or gold and silver, or any other material, it is money if the people do and must use it as money; and the government must use it too, and create it and regulate its value, or be shorn of an essential prerogative and fail in the performance of an important duty. Had our Constitution omitted entirely a grant of power over money, the power must have been implied; for without it the Government would have been unable to perform any of its functions. But the power was not withheld, while in the process of time it has happened that paper money has become practically that which, far more largely than coin, both the people and the Government must use.

The restriction implied in the language of the Constitution refers not to the power, but to the mode in which it is to be exercised. Now, the power is the principal thing, the manner of using it subordinate; the first is permanent, the second changeable; the first substance, the second attribute; the first essence, the second accident. Therefore, if one of the two must be sacrificed, the second must yield to the first; for without the first, the Government is wholly impotent either for its own preservation or the well-being of the people. The truth of this reasoning will be more apparent if we suppose the intention of the Constitution, according to the doctrine of the narrow school, to prohibit the use of paper money altogether to have been actually carried out—that there were no bills of credit emitted either by the States or the General Government, and no bank notes. It might become physically impossible for the Government to coin money. It is supposable that mines may yet be discovered in California or elsewhere so rich as to render gold and silver too plentiful and cheap to be used as money. Should they become as cheap as iron they would be useless as instruments of exchange. Or they might become so scarce as to be valueless for currency; or they might disappear altogether, as they have done now. Should the Government coin them, they would instantly vanish. They would fly, as they have flown, into brokers' chests, bank vaults, behind the wainscots, under the hearths, into stockings and old coffee-pots of farm-houses. Should it become, or if it now be, impossible for the Government to "coin money" while yet it is possible for it to create and regulate the value of money which the people do use and must use, is it not absurd to say that such a physical impossibility destroys the power? that, because the power cannot be exercised in one specified way, it cannot be exercised at all, though another way, equally beneficial, be open? that we who now own the Constitution must relinquish the advantage of a necessary power out of a superstitious regard to a restriction which time has shown to be useless and unwise? Surely this reasoning would be unworthy even of a *pie poudre* court.

Equally forcible and of higher authority is the following from the opinion of Alexander Hamilton in reply to the questions as to the constitutionality of the act chartering the first Bank of the United States, submitted to his Cabinet by Washington. That Washington accepted this view is proved by the fact that he signed the bill.

Money is the very hinge on which commerce turns. And this does not mean merely gold and silver; many other things have served the purpose with different degrees of utility. Paper has been extensively employed. It cannot, therefore, be admitted that the regulation of trade between the States as it concerns the medium of circulation and exchange ought to be considered as confined to coin. It is even supposable that the whole or the greatest part of the coin of the country might be carried out of it.

The gentleman said:

With the strain of our public credit and the doubts and vicissitudes of the struggle these notes had fallen far below par in gold, and it became apparent to every clear-headed observer that the continued issue of legal-tenders, with no provision for their redemption and no limit to their amount, would utterly destroy the credit of the Government and involve the Union cause in irretrievable disaster. But at that moment the military situation, with its perils and its prospects, was such that the Government must have money more rapidly than the sale of bonds could furnish it, and the danger was that the sale of bonds would be stopped altogether unless some definite limit could be assigned to the issue of legal-tender notes. Accordingly, Congress sought, and successfully sought, to accomplish both ends at the same time, and they passed a bill granting one hundred millions additional legal-tender circulation—making four hundred millions in all—and then incorporated in the same law a solemn assurance and pledge that "the total amount of United States notes, issued and to be issued, shall never exceed \$400,000,000."

This paragraph presents a strange admixture of truth and error. It ignores the causes by which the value of one commodity, gold, had

been artificially appreciated, and ascribes the rise to the depreciation of the lawful money of the country, which was the standard of value for all exchanges of commodities and payments except those of duties on imports and interest on Government bonds. It must, I freely admit, have been apparent to every clear-headed observer that the "continued issue of legal tenders, with no provision for their redemption and no limit to their amount, would utterly destroy the credit of the Government." But, sir, Congress had provided that the notes should be redeemed by their receivability in exchange at par for 6 per cent. bonds; and the gentleman must know that so long as they were thus convertible into interest-bearing bonds they remained almost or quite at par with gold, and that it was the action of the Government repudiating this pledge and while refusing to receive them for customs duties demanding gold in payment thereof, that imparted an artificial value to gold and precluded the possibility of its use as a standard by which to measure the price of land or commodities. But by what enactment did Congress add another hundred millions to the volume of legal-tenders, which made four hundred millions in all, and incorporate therein the solemn assurance and pledge that the total amount of United States notes issued and to be issued should never exceed \$400,000,000? I have been unable to discover it. It certainly was not brought to the attention of the Supreme Court in the famous case of *The Banks vs. The Supervisors*, reported in 7 Wallace, for in delivering the opinion in that case the Chief Justice, who was Secretary of the Treasury at the time all of the acts relating to the subject were passed, says:

The act of February 26, 1862, provided for the issue of these notes to the amount of \$150,000,000; the act of July 11, 1862, provided for another \$150,000,000 to the circulation, reserving, however, \$50,000,000 for the redemption of temporary loans to be issued and used only when necessary for that purpose. Under the act of March 3, 1863, another issue of \$150,000,000 was authorized, making the whole amount authorized \$450,000,000.

Nor does the Treasury Department appear to have been aware of the fact that the volume of legal-tender notes was limited to \$400,000,000, for Hon. William A. Richardson, who was subsequently Secretary of the Treasury in 1872, while yet Acting Assistant Secretary, published a volume of "practical information" concerning the public debt of the United States, by reference to page 39 of which I find that the amount of legal-tenders in actual circulation, including demand-notes, reached its highest point about August 31, 1865, when it was \$433,160,569, and that it was first reduced below \$400,000,000 on September 1, 1866.

Again the gentleman said:

A lesson might be learned (by those willing to be taught by fact and experience) from the course of events during the war. When we had one hundred and fifty millions of legal-tender in circulation, it stood for a long while nearly at par with gold. As the issue increased in amount the depreciation was very rapid, and at the time we fixed the four-hundred-million limit, that whole vast sum had less purchasing power in exchange for lands, or houses, or merchandise than the hundred and fifty millions had two years before. In the spring of 1862, \$150,000,000 of legal-tender would buy in the market \$147,000,000 in gold coin. In June, 1864, \$400,000,000 of legal-tender would buy only \$140,000,000 in gold coin.

And added that—

If we had not fixed the \$400,000,000 limit * * * the legal-tender, with all its vast capacity for good in a great national crisis, would have taken its place in history alongside of the French assignat and the Continental currency. The four-hundred-million limit happily saved us that direful experience, and at once caused the legal-tender to appreciate.

What a strange confusion of fact and fancy we have here! The greenback was only saved from the fate of French assignats by the force of a limitation which did not exist, and was in fact largely exceeded. The divergence between the purchasing power of the greenback as applied to gold, the value of which had been artificially enhanced by our unwise, if not unhallowed, legislation, is applied to lands, houses, and merchandise; and, without investigating the facts of the case, but assuming that they must accord with his preconceived theories, the gentleman gives us statements of the purchasing power of the legal-tender which, but for our regard for him, would be laughed to scorn in view of the facts of history. Sir, I affirm, without the fear of successful contradiction, that neither the alleged depreciation of legal-tender money nor the actual appreciation of gold had a perceptible effect upon the market price of land or domestic merchandise in any part of our country. In particular localities special causes may at the time have raised the price of land and houses, but every dealer in real estate throughout the country will confirm the allegation that the fluctuations of the gold market had at no time an appreciable effect upon the price of real estate. How was it with merchandise and commodities? Notwithstanding the glowing assertion of the gentleman as to the increase in the price demanded and paid for them, as the result of a depreciation of our legal-tender paper money, I affirm that he does not believe it; that he did not believe it when preparing his speech; that, on the contrary, he knew that such was not the case. I do not charge him with conscious misrepresentation, for he is incapable of it. His preconceived theory required the facts to be as he stated, and he assumed that they must be so. On this point let me bring to his attention an authority that he will accept as absolutely conclusive. If he will turn to the preceding page of his remarks, page 20 of the RECORD, he will find that he had just said:

And those honest-minded people who recall the startling activity of trade and the large profits during the war, and attribute both to an inflated currency, commit the error of leaving out the most important element of the calculation. They forget that the Government was a customer for nearly four years at the rate of two to three millions of dollars per day—buying countless quantities of all staple arti-

cles; they forget that the number of consumers was continually enlarging as our armed force grew to its gigantic proportions, and that the number of producers was by the same cause continually growing less, and that thus was presented, on a scale of unprecedented magnitude, that simple problem, familiar alike to the political economist and the village trader, of the demand being greater than the supply, and a consequent rise in the price. Had the Government been able to conduct the war on a gold basis and provide the coin for its necessarily large and lavish expenditure, a rise in the price of labor and a rise in the value of commodities would have been inevitable. And the rise of both labor and commodities in gold would have been for the time as marked as in paper.

Yes, the gentleman was correct in saying the rise of the prices of labor and commodities in gold would, under the circumstances, have been for the time as marked as in paper. He then saw that it was the law of supply and demand, and not the volume or the quality of our money, that so increased the price of merchandise. And I pause here to ask whether, if the million of laborers who are now wasting their lives in involuntary idleness were permitted to work at their respective avocations, their wages would not pay for and their consumption create a demand as great as that created by the war? But was it the four-hundred-million limit or any other limit that saved the legal tenders from perishing like French assignats and Continental money? The law limiting the volume of legal-tenders to \$450,000,000, fifty millions of which were to be held in reserve for emergencies, was approved March 3, 1863; and, as I have shown, the volume of legal-tender notes steadily increased until about August 31, 1865, and stood for a year thereafter above \$400,000,000. The volume outstanding on the 30th of June of each of the years I shall refer to in order to test this question, as stated in the report of the Treasurer of the United States for the fiscal year ending June 30, 1873, which I have before me, was:

June 30, 1863.....	\$411,223,045
June 30, 1864.....	649,094,073
June 30, 1865.....	698,918,800

These figures, it will be perceived, confirm the statement of Mr. Richardson that the volume of legal-tender notes in circulation continued to increase until August, 1865.

Now, sir, let us bring to the test of experience the theory of the gentleman that the price of all commodities, including gold, was regulated by the volume of legal-tenders in circulation. It will not be difficult to apply the test, for the Bankers' Almanac gives us the price of gold on every day of each of the years to be referred to, and shows that its range was vastly lower during the year 1865, when the volume of legal-tenders was at its maximum, than it had been in 1864 or was in 1866, after Mr. McCulloch's scheme of resuming specie payments by contracting the lawful money of the country had been inaugurated. In order that gentlemen may study these facts I will hand to the reporters for insertion an exhibit showing the premium on gold in New York for the months of June, July, August, September, and October of the years 1864, 1865, and 1866. During July, 1864, the premium ranged at from 166½ to 185; in July, 1866, from 47 to 55½, while in the same month of 1865 it reached 45 on but one day during the first twenty-six days of August. In 1864 it never sank so low as 150 during the entire month of August. In 1866 it dropped for but one hour as low as 46½, and its general range was from 47½ to 52½. During the month of August, 1865, when, as I have said, the legal-tender money of the country was at its maximum, it but once, and for a few minutes only, sold up to 45½, with no other sale that was not below 45.

Exhibit showing premium on gold at New York during the months of June, July, August, September, and October, for the years 1864, 1865, and 1866.

Date.	1864.				
	June.	July.	August.	September.	October.
1.....	87½ - 89½	122 - 150	151 - 159	143 - 148½	90 - 93½
2.....	89½ - 91	130 - 150	156 - 158½	148½ - 151½	Sunday.
3.....	90½ - 92½	Sunday.	156½ - 158½	136 - 143½	89 - 91½
4.....	90½ - 91	Holiday.	Fast-day.	Sunday.	90 - 92½
5.....	Sunday.	135 - 149	151½ - 161½	135 - 143½	89½ - 91½
6.....	93½ - 94½	148 - 161½	151½ - 161½	140½ - 142	92½ - 97
7.....	92 - 94	162 - 173	Sunday.	140½ - 142½	98 - 104
8.....	93 - 93½	166½ - 176½	156½ - 159½	135½ - 141	96½ - 103½
9.....	95 - 98½	160 - 175	152½ - 155½	134½ - 136	Sunday.
10.....	98½ - 98½	Sunday.	154½ - 155½	118 - 128½	96 - 99
11.....	94½ - 98	176 - 185	15½ - 156½	Sunday.	98½ - 103½
12.....	Sunday.	171 - 182	155½ - 157½	113½ - 125	102½ - 104½
13.....	95½ - 96½	162½ - 173	154½ - 156½	117½ - 128	103½ - 109½
14.....	96½ - 98	158 - 168	Sunday.	123½ - 128	103 - 117½
15.....	96½ - 97½	144 - 156	155½ - 156½	128½ - 129½	113½ - 120
16.....	97 - 97½	14½ - 161½	155½ - 156½	124½ - 128	Sunday
17.....	96½ - 96½	Sunday.	155½ - 157	120½ - 123½	118½ - 122½
18.....	95½ - 95½	154½ - 161½	157 - 158	Sunday.	106½ - 115
19.....	Sunday.	158½ - 168½	157 - 157½	123½ - 129½	107½ - 111½
20.....	98 - 98½	161 - 163½	156½ - 157½	123 - 126½	106½ - 111½
21.....	99 - 108	156½ - 160	Sunday.	120 - 122	107½ - 109
22.....	110 - 130	150½ - 157½	156½ - 157½	116 - 121½	109½ - 113½
23.....	105 - 123	153½ - 156	157½ - 158½	111 - 117	Sunday.
24.....	113 - 117	Sunday.	154½ - 157	100 - 112	112½ - 116½
25.....	114 - 120	155½ - 158½	154½ - 155½	Sunday.	114½ - 118½
26.....	Sunday.	157½ - 159½	153½ - 156	95 - 98½	112½ - 117
27.....	121 - 140	154 - 157½	145 - 153	92½ - 95	114½ - 116
28.....	134 - 140	144 - 152	Sunday.	95 - 105	115½ - 117½
29.....	135 - 150	150 - 153½	135½ - 145	94½ - 102	117½ - 121½
30.....	145 - 150	153 - 158	131½ - 136	91 - 94½	Sunday.
31.....	.....	Sunday.	134 - 143	.....	121½ - 127½

Exhibit showing the premium on gold at New York, &c.—Continued.

1865.

Date.	June.	July.	August.	September.	October.
1	Holiday.	39 $\frac{1}{2}$ - 41	44 - 44 $\frac{1}{2}$	44 $\frac{1}{2}$ - 45	Sunday.
2	37 $\frac{1}{2}$ - 38 $\frac{1}{2}$	Sunday.	45 - 45 $\frac{1}{2}$	44 $\frac{1}{2}$ - 44 $\frac{1}{2}$	44 $\frac{1}{2}$ - 44 $\frac{1}{2}$
3	36 $\frac{1}{2}$ - 37	38 - 40 $\frac{1}{2}$	44 $\frac{1}{2}$ - 44 $\frac{1}{2}$	Sunday.	44 $\frac{1}{2}$ - 44 $\frac{1}{2}$
4	Sunday.	Holiday.	43 $\frac{1}{2}$ - 44	43 $\frac{1}{2}$ - 44 $\frac{1}{2}$	44 $\frac{1}{2}$ - 46 $\frac{1}{2}$
5	35 $\frac{1}{2}$ - 36 $\frac{1}{2}$	39 $\frac{1}{2}$ - 40 $\frac{1}{2}$	43 $\frac{1}{2}$ - 43 $\frac{1}{2}$	34 $\frac{1}{2}$ - 44 $\frac{1}{2}$	46 $\frac{1}{2}$ - 47
6	36 $\frac{1}{2}$ - 37	38 $\frac{1}{2}$ - 39 $\frac{1}{2}$	Sunday.	44 $\frac{1}{2}$ - 45	46 $\frac{1}{2}$ - 49
7	37 $\frac{1}{2}$ - 37 $\frac{1}{2}$	39 $\frac{1}{2}$ - 39 $\frac{1}{2}$	43 $\frac{1}{2}$ - 44	44 $\frac{1}{2}$ - 44 $\frac{1}{2}$	46 - 46 $\frac{1}{2}$
8	37 $\frac{1}{2}$ - 38	39 $\frac{1}{2}$ - 40 $\frac{1}{2}$	44 $\frac{1}{2}$ - 45 $\frac{1}{2}$	44 $\frac{1}{2}$ - 44 $\frac{1}{2}$	Sunday.
9	37 $\frac{1}{2}$ - 38	Sunday.	43 $\frac{1}{2}$ - 44 $\frac{1}{2}$	44 $\frac{1}{2}$ - 44 $\frac{1}{2}$	45 $\frac{1}{2}$ - 46 $\frac{1}{2}$
10	37 $\frac{1}{2}$ - 37 $\frac{1}{2}$	39 $\frac{1}{2}$ - 40 $\frac{1}{2}$	42 $\frac{1}{2}$ - 43 $\frac{1}{2}$	Sunday.	44 $\frac{1}{2}$ - 45 $\frac{1}{2}$
11	Sunday.	39 $\frac{1}{2}$ - 40 $\frac{1}{2}$	40 $\frac{1}{2}$ - 42	44 $\frac{1}{2}$ - 44 $\frac{1}{2}$	44 $\frac{1}{2}$ - 45 $\frac{1}{2}$
12	38 $\frac{1}{2}$ - 40 $\frac{1}{2}$	40 $\frac{1}{2}$ - 42	40 $\frac{1}{2}$ - 42	43 $\frac{1}{2}$ - 44 $\frac{1}{2}$	45 - 45 $\frac{1}{2}$
13	40 $\frac{1}{2}$ - 42 $\frac{1}{2}$	41 $\frac{1}{2}$ - 42 $\frac{1}{2}$	Sunday.	43 $\frac{1}{2}$ - 43 $\frac{1}{2}$	44 $\frac{1}{2}$ - 45
14	40 $\frac{1}{2}$ - 42 $\frac{1}{2}$	42 $\frac{1}{2}$ - 43 $\frac{1}{2}$	42 $\frac{1}{2}$ - 43 $\frac{1}{2}$	43 $\frac{1}{2}$ - 43 $\frac{1}{2}$	44 $\frac{1}{2}$ - 44 $\frac{1}{2}$
15	43 $\frac{1}{2}$ - 47	41 $\frac{1}{2}$ - 42 $\frac{1}{2}$	40 $\frac{1}{2}$ - 41	42 $\frac{1}{2}$ - 43 $\frac{1}{2}$	Sunday.
16	42 $\frac{1}{2}$ - 45 $\frac{1}{2}$	Sunday.	41 $\frac{1}{2}$ - 42	42 $\frac{1}{2}$ - 42 $\frac{1}{2}$	45 - 45 $\frac{1}{2}$
17	43 $\frac{1}{2}$ - 45 $\frac{1}{2}$	42 - 43	41 $\frac{1}{2}$ - 42	Sunday.	45 $\frac{1}{2}$ - 46 $\frac{1}{2}$
18	Sunday.	43 - 43 $\frac{1}{2}$	43 $\frac{1}{2}$ - 43	43 $\frac{1}{2}$ - 43 $\frac{1}{2}$	46 - 46 $\frac{1}{2}$
19	40 $\frac{1}{2}$ - 43 $\frac{1}{2}$	42 - 43 $\frac{1}{2}$	43 $\frac{1}{2}$ - 44	43 $\frac{1}{2}$ - 44	45 $\frac{1}{2}$ - 46 $\frac{1}{2}$
20	37 $\frac{1}{2}$ - 39 $\frac{1}{2}$	42 $\frac{1}{2}$ - 42 $\frac{1}{2}$	Sunday.	43 $\frac{1}{2}$ - 43 $\frac{1}{2}$	46 - 46 $\frac{1}{2}$
21	40 - 41	42 $\frac{1}{2}$ - 42 $\frac{1}{2}$	44 $\frac{1}{2}$ - 44 $\frac{1}{2}$	43 $\frac{1}{2}$ - 44 $\frac{1}{2}$	45 $\frac{1}{2}$ - 46 $\frac{1}{2}$
22	41 $\frac{1}{2}$ - 43	42 $\frac{1}{2}$ - 42 $\frac{1}{2}$	43 $\frac{1}{2}$ - 43	43 $\frac{1}{2}$ - 43 $\frac{1}{2}$	Sunday.
23	40 $\frac{1}{2}$ - 42 $\frac{1}{2}$	Sunday.	43 $\frac{1}{2}$ - 43	43 $\frac{1}{2}$ - 43 $\frac{1}{2}$	45 $\frac{1}{2}$ - 46 $\frac{1}{2}$
24	41 $\frac{1}{2}$ - 42 $\frac{1}{2}$	42 $\frac{1}{2}$ - 43 $\frac{1}{2}$	43 $\frac{1}{2}$ - 43	Sunday.	46 - 46 $\frac{1}{2}$
25	Sunday.	43 - 43 $\frac{1}{2}$	43 $\frac{1}{2}$ - 44	43 - 45 $\frac{1}{2}$	45 $\frac{1}{2}$ - 46 $\frac{1}{2}$
26	39 $\frac{1}{2}$ - 41 $\frac{1}{2}$	42 $\frac{1}{2}$ - 43 $\frac{1}{2}$	44 - 44 $\frac{1}{2}$	43 $\frac{1}{2}$ - 44	44 $\frac{1}{2}$ - 45 $\frac{1}{2}$
27	41 $\frac{1}{2}$ - 42 $\frac{1}{2}$	43 $\frac{1}{2}$ - 44 $\frac{1}{2}$	Sunday.	43 $\frac{1}{2}$ - 44 $\frac{1}{2}$	45 $\frac{1}{2}$ - 45 $\frac{1}{2}$
28	39 $\frac{1}{2}$ - 41 $\frac{1}{2}$	44 - 46	43 $\frac{1}{2}$ - 44 $\frac{1}{2}$	43 $\frac{1}{2}$ - 44 $\frac{1}{2}$	45 $\frac{1}{2}$ - 45 $\frac{1}{2}$
29	38 $\frac{1}{2}$ - 39	44 $\frac{1}{2}$ - 45 $\frac{1}{2}$	44 $\frac{1}{2}$ - 44 $\frac{1}{2}$	44 - 44 $\frac{1}{2}$	Sunday.
30	33 - 41 $\frac{1}{2}$	Sunday.	43 $\frac{1}{2}$ - 44 $\frac{1}{2}$	43 $\frac{1}{2}$ - 44 $\frac{1}{2}$	45 $\frac{1}{2}$ - 45 $\frac{1}{2}$
31	.....	43 $\frac{1}{2}$ - 43 $\frac{1}{2}$	44 $\frac{1}{2}$ - 44 $\frac{1}{2}$	.....	45 $\frac{1}{2}$ - 46 $\frac{1}{2}$

1866.

1	No board.	Sunday.	48 $\frac{1}{2}$ - 49 $\frac{1}{2}$	45 $\frac{1}{2}$ - 47 $\frac{1}{2}$	45 $\frac{1}{2}$ - 46 $\frac{1}{2}$
2	40 $\frac{1}{2}$ - 41 $\frac{1}{2}$	53 $\frac{1}{2}$ - 55 $\frac{1}{2}$	47 $\frac{1}{2}$ - 48 $\frac{1}{2}$	Sunday.	47 $\frac{1}{2}$ - 48 $\frac{1}{2}$
3	Sunday.	52 $\frac{1}{2}$ - 53 $\frac{1}{2}$	47 $\frac{1}{2}$ - 48 $\frac{1}{2}$	44 $\frac{1}{2}$ - 45 $\frac{1}{2}$	47 $\frac{1}{2}$ - 48 $\frac{1}{2}$
4	40 $\frac{1}{2}$ - 44	Holiday.	46 $\frac{1}{2}$ - 48	45 $\frac{1}{2}$ - 46 $\frac{1}{2}$	46 $\frac{1}{2}$ - 48 $\frac{1}{2}$
5	43 $\frac{1}{2}$ - 46 $\frac{1}{2}$	53 $\frac{1}{2}$ - 53 $\frac{1}{2}$	Sunday.	46 $\frac{1}{2}$ - 47 $\frac{1}{2}$	46 $\frac{1}{2}$ - 49 $\frac{1}{2}$
6	44 $\frac{1}{2}$ - 45 $\frac{1}{2}$	53 $\frac{1}{2}$ - 54 $\frac{1}{2}$	47 $\frac{1}{2}$ - 48	45 $\frac{1}{2}$ - 46 $\frac{1}{2}$	48 $\frac{1}{2}$ - 49 $\frac{1}{2}$
7	42 $\frac{1}{2}$ - 45 $\frac{1}{2}$	53 $\frac{1}{2}$ - 54 $\frac{1}{2}$	47 $\frac{1}{2}$ - 47 $\frac{1}{2}$	45 $\frac{1}{2}$ - 46	Sunday.
8	38 $\frac{1}{2}$ - 41 $\frac{1}{2}$	Sunday.	48 - 49	46 $\frac{1}{2}$ - 47 $\frac{1}{2}$	48 $\frac{1}{2}$ - 49 $\frac{1}{2}$
9	39 $\frac{1}{2}$ - 40	51 $\frac{1}{2}$ - 53 $\frac{1}{2}$	48 $\frac{1}{2}$ - 48 $\frac{1}{2}$	Sunday.	48 $\frac{1}{2}$ - 49 $\frac{1}{2}$
10	Sunday.	48 $\frac{1}{2}$ - 49 $\frac{1}{2}$	48 $\frac{1}{2}$ - 48 $\frac{1}{2}$	46 $\frac{1}{2}$ - 46 $\frac{1}{2}$	49 $\frac{1}{2}$ - 51 $\frac{1}{2}$
11	37 $\frac{1}{2}$ - 39 $\frac{1}{2}$	48 $\frac{1}{2}$ - 49	48 $\frac{1}{2}$ - 49	45 $\frac{1}{2}$ - 46 $\frac{1}{2}$	51 - 53 $\frac{1}{2}$
12	41 $\frac{1}{2}$ - 43 $\frac{1}{2}$	49 $\frac{1}{2}$ - 51 $\frac{1}{2}$	Sunday.	45 $\frac{1}{2}$ - 46 $\frac{1}{2}$	50 $\frac{1}{2}$ - 53 $\frac{1}{2}$
13	42 $\frac{1}{2}$ - 45 $\frac{1}{2}$	52 $\frac{1}{2}$ - 53 $\frac{1}{2}$	49 $\frac{1}{2}$ - 49 $\frac{1}{2}$	45 $\frac{1}{2}$ - 46 $\frac{1}{2}$	52 $\frac{1}{2}$ - 54 $\frac{1}{2}$
14	45 $\frac{1}{2}$ - 47	52 - 52 $\frac{1}{2}$	49 $\frac{1}{2}$ - 50	44 $\frac{1}{2}$ - 45	Sunday.
15	47 $\frac{1}{2}$ - 49 $\frac{1}{2}$	Sunday.	50 $\frac{1}{2}$ - 52 $\frac{1}{2}$	44 $\frac{1}{2}$ - 45	50 $\frac{1}{2}$ - 53 $\frac{1}{2}$
16	54 $\frac{1}{2}$ - 60	48 $\frac{1}{2}$ - 49 $\frac{1}{2}$	51 $\frac{1}{2}$ - 52 $\frac{1}{2}$	Sunday.	47 $\frac{1}{2}$ - 50 $\frac{1}{2}$
17	Sunday.	49 - 51 $\frac{1}{2}$	50 $\frac{1}{2}$ - 51 $\frac{1}{2}$	44 $\frac{1}{2}$ - 45 $\frac{1}{2}$	47 $\frac{1}{2}$ - 48 $\frac{1}{2}$
18	55 $\frac{1}{2}$ - 67 $\frac{1}{2}$	49 - 50 $\frac{1}{2}$	41 $\frac{1}{2}$ - 51	44 $\frac{1}{2}$ - 45 $\frac{1}{2}$	47 $\frac{1}{2}$ - 48 $\frac{1}{2}$
19	49 $\frac{1}{2}$ - 54 $\frac{1}{2}$	50 $\frac{1}{2}$ - 50 $\frac{1}{2}$	Sunday.	45 - 45 $\frac{1}{2}$	48 - 49 $\frac{1}{2}$
20	51 $\frac{1}{2}$ - 53 $\frac{1}{2}$	49 $\frac{1}{2}$ - 50 $\frac{1}{2}$	48 $\frac{1}{2}$ - 48 $\frac{1}{2}$	44 $\frac{1}{2}$ - 45 $\frac{1}{2}$	45 $\frac{1}{2}$ - 49
21	48 $\frac{1}{2}$ - 50 $\frac{1}{2}$	49 - 50 $\frac{1}{2}$	47 $\frac{1}{2}$ - 48 $\frac{1}{2}$	43 $\frac{1}{2}$ - 44	Sunday.
22	48 $\frac{1}{2}$ - 49 $\frac{1}{2}$	Sunday.	47 $\frac{1}{2}$ - 49 $\frac{1}{2}$	43 $\frac{1}{2}$ - 43 $\frac{1}{2}$	45 $\frac{1}{2}$ - 46 $\frac{1}{2}$
23	51 $\frac{1}{2}$ - 53 $\frac{1}{2}$	50 $\frac{1}{2}$ - 51 $\frac{1}{2}$	49 $\frac{1}{2}$ - 51	Sunday.	45 $\frac{1}{2}$ - 47 $\frac{1}{2}$
24	Sunday.	50 - 50 $\frac{1}{2}$	48 $\frac{1}{2}$ - 50 $\frac{1}{2}$	43 $\frac{1}{2}$ - 44 $\frac{1}{2}$	47 - 48 $\frac{1}{2}$
25	52 - 53 $\frac{1}{2}$	49 $\frac{1}{2}$ - 50 $\frac{1}{2}$	46 $\frac{1}{2}$ - 48	44 $\frac{1}{2}$ - 44 $\frac{1}{2}$	46 $\frac{1}{2}$ - 48
26	54 $\frac{1}{2}$ - 57	49 $\frac{1}{2}$ - 50	Sunday.	44 $\frac{1}{2}$ - 45 $\frac{1}{2}$	47 - 48 $\frac{1}{2}$
27	54 $\frac{1}{2}$ - 56	49 $\frac{1}{2}$ - 50 $\frac{1}{2}$	46 $\frac{1}{2}$ - 48 $\frac{1}{2}$	44 $\frac{1}{2}$ - 45 $\frac{1}{2}$	45 $\frac{1}{2}$ - 46 $\frac{1}{2}$
28	51 $\frac{1}{2}$ - 54 $\frac{1}{2}$	50 - 50 $\frac{1}{2}$	48 $\frac{1}{2}$ - 49 $\frac{1}{2}$	44 $\frac{1}{2}$ - 45 $\frac{1}{2}$	Sunday.
29	53 $\frac{1}{2}$ - 55	Sunday.	48 $\frac{1}{2}$ - 48 $\frac{1}{2}$	45 $\frac{1}{2}$ - 46 $\frac{1}{2}$	45 $\frac{1}{2}$ - 46 $\frac{1}{2}$
30	52 $\frac{1}{2}$ - 54	47 - 48	47 $\frac{1}{2}$ - 48 $\frac{1}{2}$	Sunday.	46 - 46 $\frac{1}{2}$
31	.....	48 $\frac{1}{2}$ - 49 $\frac{1}{2}$	47 $\frac{1}{2}$ - 48	.....	45 $\frac{1}{2}$ - 46 $\frac{1}{2}$

The gentleman, while disclaiming the championship of the national banks, defended the system and spoke of "its strength and solvency in time of financial disaster." I invite his attention to the fact that when the contraction of the money of the country brought on the disaster of September, 1873, the national banks were the first chartered institutions to succumb; that, while they were contracting their loans and ruining those customers who had borrowed their credit on marketable securities by sacrificing their collaterals, they were refusing to redeem their own notes in greenbacks or to return even in their own notes to depositors the sums they had deposited with them. Does he not remember that, when holding, as they did, many hundreds of millions of deposits, they refused to pay any part of this vast confidential indebtedness, and handed to depositors certificates of indebtedness, by the sale of which, at discounts ranging from 4 to 8 per cent., they could obtain money with which to redeem the collaterals held by these same insolvent banks? The people remember these facts, and remember also that, while thus proclaiming their inability to meet their obligations, they, with sublime impudence, announced to the country, that they issued these depreciated certificates of indebtedness in order to prevent the Government from making a further emission of legal-tender money. Where was their strength and solvency in that time of financial disaster? Had there been no bank-notes; had the currency of the country been, as it should always be, legal-tender money emitted by the Government, the men who sold the certificates of these greedy and mismanaged banks at various rates of discount would have been saved the sacrifice inflicted upon them by the corporate consumers of the profits that should reward labor and well-directed enterprise.

Very far from making a fair statement of the position of those he

denounces as inflationists is the gentleman when he speaks of "the confusion, the distress, the ruin that would result from forcing twenty-one hundred banks suddenly to wind up their affairs with nearly \$1,000,000,000 due them." "The commercial fabric," says he, "rests upon the bank credits, and nothing short of financial lunacy would demand their rude disturbance." Who, I ask, would rudely disturb the banks? Not I or any of the million of republicans who sympathize with me on this question of currency and finance. We do not believe that their existence depends on the profit they make on circulation? Does the gentleman mean to imply that they are so weak that, if the profit on circulation be withdrawn, they must suddenly wind up and go into bankruptcy or liquidation? Do they not assure us that the profit on circulation is so inconsiderable that to induce them to maintain it we must repeal certain taxes now imposed on them? Does not the Comptroller of the Currency tell us that to the banks of large cities the privilege of issuing notes is without value, and that many of them have refused to put the notes to which they were entitled into circulation? Has it been, I ask the gentleman, from profits on circulation that the banks have added \$131,000,000 of surplus to their capital while making large semi-annual dividends, and some of them occasionally making a dividend of 100 per cent.? The idea is preposterous, as preposterous as it is to suggest, as the gentleman does, that, if a like number of greenbacks of like denominations should be gradually substituted for national-bank notes, the process would so inflate the currency that the banks would refuse to convert their bonds into lawful money for banking purposes.

The plan I and my collaborators suggest could produce no shock, and could not inflate the currency. It is this: The United States Treasury is the redemption agency for the banks, and we would have it retain all bank-notes that come in until those of any bank should reach the amount of \$900, when, instead of returning its notes to the bank, the Treasurer should carry to the books and vaults of the Treasury \$900 in legal-tender notes of like denominations with the bank-notes canceled and destroyed, and return to the bank instead of \$900 in its notes \$1,000 in its bonds deposited to secure the payment of its notes. Thus would the Government assume its prerogative of issuing the money of the country without disturbing the business of any bank, banker, or merchant in the country. The operation would neither inflate nor contract the currency, but would withhold from those who are rich enough to own and deposit bonds the special privilege of dividing with the Government its highest prerogative, that of coining money and regulating the value thereof, and the \$20,000,000 in gold now paid them for exercising the privilege.

In referring to the crisis of 1873, the gentleman attributed it to the undue expansion of credit. In this he was right; but, judging from the general spirit of his remarks, I am inclined to think that in this particular he "built better than he knew." It was the undue expansion of credit consequent upon a contraction of the lawful money of the country that gave room for the inflation of private credit and brought on the crisis of 1873.

Mr. Speaker, nothing is taught with more constant reiteration by the experience of England and the United States, than that a protracted contraction of the money of a country is the sure precursor of wild inflation of private credit. The most recent illustration of this law, as inflexible as that of gravitation, is furnished by the course of events in this country between 1865 and 1873. In the former year we had about two thousand millions of money. It was inconvertible. It was not all in the form of currency. We had, as I have shown, but a little more than four hundred and thirty-three millions of demand and legal-tender notes, but, as appears by the Treasurer's report for 1873, to which I have already referred, we had compound-interest notes, one-year notes, two years' notes, two years' coupon-notes, all of which were made legal-tender by the acts authorizing their issue; and we had other obligations which the banks were allowed to hold as reserve, and which, therefore, enabled them to keep the entire body of every form of circulating medium in operation. Private credit was then so contracted that commercial paper failed to afford employment to the funds of the banks, one-half of their available resources was invested in various forms of Government loans, and they held one-fourth of our national debt, keeping the interest thereon payable at home and to our own people. The farms, factories, workshops, and homes of the country were then freer from mortgage and judgment debt than they had ever been. Suits at law upon direct contract to pay money, such as on promissory notes, drafts, and checks, were of rare occurrence. By furnishing the people with an available medium of exchange the Government had stimulated production, cash payments had taken the place of credit, and the business of the country was on a sound basis. But as the Government withdrew the legal-tender money before a favorable balance of trade or any agency of the Government could substitute metallic money therefor, cash payments became impracticable, the use of private credit increased, and a crisis became inevitable; the only question being, when will it occur?

In the remarks I had the honor to make to the House January 10, 1874, in support of my interconvertible-bond bill, I illustrated the invariable law that the expansion of private credit always ensues upon a contraction of the money of a country, by reference to the condition of the banks of New York from 1865 to 1873 inclusive. Permit me to invite your attention to a part of what I then said:

Sir, I invite the attention of gentlemen to a table which is most significant on this point. It is a table of the loans and discounts, the capital and surplus, the in-

dividual deposits, and the legal-tender reserves of the national banks on the 1st of October in each year, from October, 1865, to September 12, 1873. In 1865 the loans and discounts were \$487,000,000 and the legal-tender reserve was \$189,000,000. In 1873, the \$487,000,000 of loans and discounts had swollen to \$944,000,000 and the reserve had shrunk from \$189,000,000 to \$113,000,000. Thus it is shown that as you contract the money you enslave labor and enterprise, consolidate capital, and raise the rates of interest, building, as I said, an inverted pyramid, which, sooner or later, must topple, involving all in destruction. But let the figures tell their own story:

Year.	Loans and discounts.	Capital and surplus.	Individual deposits.	Legal-tender reserve.
1865.....	\$487, 170, 136	\$431, 970, 586	\$549, 081, 254	\$189, 988, 496
1866.....	603, 247, 503	468, 638, 246	597, 960, 903	205, 770, 641
1867.....	609, 675, 214	486, 769, 002	568, 212, 337	157, 439, 099
1868.....	657, 668, 847	498, 620, 372	603, 084, 550	156, 047, 205
1869.....	682, 883, 106	502, 554, 485	523, 029, 401	129, 564, 295
1870.....	715, 928, 080	524, 460, 740	512, 765, 708	122, 669, 577
1871.....	831, 552, 210	559, 368, 367	626, 774, 021	134, 489, 735
1872.....	872, 520, 104	589, 886, 660	625, 708, 307	118, 971, 104
1873.....	944, 220, 116	611, 387, 115	622, 685, 503	113, 132, 662

Gentlemen will do well to examine other features of this table than those to which I then referred. They will notice that in 1865 the condition of the business men of the country was so prosperous that while the loans and discounts of the banks amounted to but \$487,000,000 they held individual deposits to the amount of \$549,000,000; the deposits of individuals exceeded the loans and discounts by \$62,000,000, and the legal-tender reserve was about \$190,000,000.

Reference to the same columns for 1873 shows that the loans had very nearly doubled, being then \$944,000,000; that individual deposits, notwithstanding this great increase of discounts, were but \$622,000,000, and that the legal-tender reserve had with this vast increase of responsibility on the part of the banks shrunk from \$190,000,000 to \$113,000,000. The crisis was not, as the gentleman would have us believe, the result of a full volume of paper money. It was, as I have said, the result of the undue inflation of corporate and individual credit, which inflation was the inevitable result of a protracted contraction of a volume of money to which the business of the country had adjusted itself. He said we are suffering from "one of those periodical revulsions in trade common to all commercial nations, and which thus far no wisdom of legislation has been able to avert." The remark is too broad. It is not true of all commercial nations. Those periodical revulsions have been confined to Great Britain and the United States, and result in each country from the Government restricting the volume of money and forcing business men to trade on private credit. France has never been subject to such periodical revulsions, and Germany is now for the first time experiencing one as the result of her reckless demonetization of silver and her suppression of all bank-notes for less than £5 or \$25 in order to bring gold into use. Caught by the glittering plausibilities of schoolmen and abstract thinkers, she has attempted to improve the quality of her money, the mere tool of trade, and has so disturbed and contracted the legal money of the empire that her industries are as prostrate as our own, her revenues fall off, and her laboring people for the first time know what those of Great Britain and America suffer under the periodical revulsions consequent upon the collapse of inflated credit.

That was an unfortunate reference the gentleman made to California. He held her up as an example of prosperity to be envied by the suffering people of her sister-States, and ascribed her prosperity to her repudiation and nullification of the legal-tender law. Sir, it may be an act of temerity, but I am prepared to present her as a warning to those citizens of other States who believe that by contracting the volume of money they can promote the welfare of the people or hasten the day when prosperity shall again dwell within our borders. In natural gifts and geographical position California excels any other State of the Union. In abundance, variety, value, and accessibility her resources exceed those of any other State or nation. She is as accessible by ocean voyage to Caucasian emigrants as are the island provinces of England. She is by rail within six days of the cities of the East, crowded with skilled and aspiring workmen. She is the exclusive American producer of quicksilver, her mines of cinnabar being many and rich. I need not refer to her wealth in gold and silver or her production of wheat, wine, and wool. The world knows how great it is, for it enters as a distinct item into national statistics. In recent years her lands have yielded unusually large crops per acre of superior tobacco, and in the Merced and other valleys cotton is now grown with profit. She has the only great deposit of tin, that of San Bernardino, yet discovered on this continent, and is not without coal, copper, and iron. She has lakes of borax, mountains of sulphur, and produces the fruits of the world, growing strawberries in the open air more than nine months in the year. Her climate is as healthful and delicious as that of Sicily, of which she is an enlarged and improved edition. No other State presents so many or such great attractions, yet measured by all that makes the true greatness of a State she is one of the least progressive of the American sisterhood. Shunned by men of enterprise whose capital is limited, her wealth does not attract the laboring masses of the Eastern States, Great Britain, or the continent. While immigrants have flown into the cold Northwest by the thousand, they have hardly gone into California by the score, and her laboring classes are pariahs, who do not speak our language or seek to establish an interest in our

country by acquiring homes or land, so that there, among the golden sands and verdant fields of California, is the land owned by a few capitalists and the labor performed by homeless wanderers. Do I exaggerate the picture? Let facts speak.

Let me compare her with States of her own age who are almost absolutely without mineral resources, whose summers are brief, whose winters long and severe, whose farms lie nearly two thousand miles from the seaboard, the profit on whose products is greatly reduced by the immense cost of bringing them to market, and the cost of the manufactured articles they consume enhanced by the fact that they have to traverse the same long lines of transportation. Let me compare California with Iowa, Wisconsin, or Minnesota. In order to do this justly, we must bear in mind the fact that California was admitted to the Union September 9, 1850; that Iowa, having been admitted December 28, 1846, had preceded her not quite four years; that Wisconsin was admitted May 29, 1848, preceding her a little more than two years, and that Minnesota was admitted May 11, 1858, and is therefore nearly eight years her junior. How do these purely agricultural and almost hyperborean States compare in all that constitutes the true greatness of a State with their more richly endowed and happily located sister? The extent of her territory is vastly greater than that of any of them, yet the census of 1870 shows her population to have been but 582,031, of whom 49,310 were Chinese; while Iowa, four years her senior, had a population of 1,194,020; Wisconsin, but two years her senior, a population of 1,064,985, and Minnesota, nearly eight years her junior, was nearly her equal in population, having 446,056.

Time will not permit me to run a parallel between her and each of these States. To make the contrast with Iowa or Wisconsin would present differences so striking and immense that they would stagger credulity. I therefore take Minnesota, the youngest—eight years, or nearly one-third younger than she—and the most remote from the seaboard, the one also which stretches farthest into the wintry north, whose boundary is the northern boundary of the country, and whose season for the growth and gathering of crops is limited to half the year. The area of California is 188,918 square miles, and that of Minnesota 83,000. In 1860 California had 379,994 inhabitants and Minnesota but 172,023; the increase in California for the succeeding ten years was but 190,223, while that of Minnesota was 274,033, which is 83,810 in excess of the increase of California, which started into the decade with more than 100 per cent. in advance. The assessed wealth of California was, in 1860, \$139,654,667, and in 1870 it was \$269,644,068; an increase of a little more than 90 per cent. The assessed value in Minnesota in 1860 was over \$32,000,000, and in 1870 over \$84,000,000; an increase of over 160 per cent. The assessed value of real estate in California in 1860 was over \$66,000,000, and in 1870 was over \$176,000,000, showing an increase in real estate of over \$109,000,000, leaving but about \$20,000,000 to evidence the increase of every other species of property. The assessed value of real estate in Minnesota in 1860 was over \$25,000,000, and in 1870 over \$62,000,000; showing an increase of more than \$36,000,000, or nearly 150 per cent., and an increase of personal property of over 220 per cent. The indebtedness of California exceeds that of Minnesota by over \$15,000,000. The taxes paid in Minnesota in 1870 were \$2,646,372 in legal-tender money, being \$5,217,734 less than were paid in California in gold. Minnesota had in 1870 923 more schools than California, and the number of children in attendance in the wintry State of the Northwest was 5,513 in excess of those attending in the genial climate of California. Minnesota had 234 more churches than California, fewer convicts by 1,426, and there were 844 fewer patients in the insane hospitals and asylums in Minnesota than in those of California.

How, Mr. Speaker, are we to account for these startling contrasts? Climate, soil, natural productions, geographical position, all favor California. Why is she thus laggard in the race for civic supremacy? It is because she has preferred to maintain as money a currency composed of a commodity which other nations need, and the volume of which cannot increase in a debtor State or nation, and thus to make all enterprise depend on the use of private credit; has maintained a monetary system by means of which they who lend credit absorb the sweat of the laborer's brow, together with the results of all productive industries. California rejected our national system of money, which, though called into being by the exigencies of the war, was, as I have shown, abundantly authorized by the terms of the Constitution, and in doing so deprived herself of that agency—a cheap, safe, and in-exportable medium of exchange—which made the progress in wealth and all the blessings attendant upon wealth, churches, schools, galleries of art, improved means of transportation, and other commercial facilities throughout the North and East more remarkable than had ever taken place in any decade in the history of this or any other country. Who, in view of these facts, will claim that metallic money has been a blessing to California?

The gentleman's allusion to the patriots of 1790 led me to another investigation, which proved to be as unfortunate for his cause as his reference to California, as it also established the impossibility of a debtor community transacting business with gold and silver or paper instantly convertible into gold and silver as its medium of exchange. He said:

The patriots of 1790, with their slender resources, did not hesitate to assume a national debt of \$90,000,000, being more than one-seventh of their entire possessions; and it never occurred to them that an abandonment of the specie basis would make their burden lighter. They knew from their terrible experience with continental

currency that all their evils would be painfully increased by a resort to paper money. And in their poverty, with no accumulated capital, with manufactures in feeble infancy, with commerce undeveloped, with low prices for their agricultural products, they maintained the gold and silver standard, they paid their great debt, they grew rich in the property which we inherited, but far richer in that bright, unsullied honor which they also bequeathed to us.

Is the gentleman sure they did not resort to paper money? Let us see. They had not gold and silver enough for currency, and without a medium of exchange society was impossible. If they could not have gold or silver they must have some other medium of exchange, and they resorted to bank-notes as a substitute for money. They made the experiment of a specie-basis bank system. The New England States were especially liberal in granting charters to banks, providing, however, in each case that the capital should be paid in full in specie, and that the banks should always retain a sufficient amount of specie in their vaults to secure the prompt convertibility of the notes they might issue. All the legal provisions that ingenuity and their past experience of the evils of paper currency could suggest were embodied in the charters of the banks as safeguards of the currency. Yet the capital was not paid up in specie, nor were any of the banks able to obtain and keep specie enough to give convertibility to their notes, and the consequence was that in 1809-'10 the people of New England suffered anew a collapse of the currency, on the solvency of which their business and estates depended almost as absolute as that which had occurred with Continental money. I have upon my person a five-dollar note of the Farmers' Exchange Bank of Gloucester, Rhode Island, dated July 1, 1808. When the general insolvency occurred this bank, with scores of others, became the subject of legislative investigation, in the course of which it was ascertained that, with over six hundred thousand of notes in circulation, it had \$86.46 in specie in its vaults. The Coos Bank of New Hampshire was without any specie, though its notes were as abundant as the leaves of the forest. Of the Berkshire and Northampton Bank, both of Massachusetts, it is reported that when their vaults were examined one had thirty or forty dollars in it and the other was entirely empty. And, in the discussion in Congress upon the bill to charter a bank of the United States for the purpose of supplying the people with money by making its notes legal-tender in payment of all dues to the Government, and thus imparting to them the quality of general acceptability, it was stated that legislative inquiry had established the fact that in all the banks of Massachusetts there was not specie enough to redeem the notes of one of them. And, sir, I affirm that it will ever be thus while the Government fails to exercise its prerogative of furnishing the legal-tender money of the country, regulating its value and providing for its redeemability by its receipt for all dues of any nature whatsoever to the Government itself and in exchange for any and all interest-bearing obligations it may issue.

But I am trespassing upon the patience of the House; yet before closing I must say that the maintenance of a monetary system of which gold shall be the basis has become impossible to any but the leading creditor nations of the world. France, England, and Germany may maintain such a system in a qualified measure, but no other country can. The mines of all the world do not yield gold enough to serve the single purpose of paying the annual interest on the bonded debts of nations, the greater part of which are held by the people of the countries I have named. They have thus become a great reservoir of bullion, the supply-pipe of which is proving to be a fatal exhaust-pipe to all debtor countries that use metallic money or base their paper currency upon gold or silver.

The bonded debt of the nations of the world, apart from municipal and corporate debts, is now over £4,200,000,000 or \$21,000,000,000, the interest on which is payable in gold at various rates, from that paid by Holland, which is but 2½ per cent., to that of 18 per cent. which is promised by Mexico. Already something more than a score of states or nations, including those of which the gentleman from New York [Mr. COX] spoke the other day as the "miserable republics of South America," have declared their bankruptcy by avowing their inability to meet the interest on their bonds. The indebtedness of these bankrupt States and nations amounts to £238,586,476, of which over £160,000,000 are due from Spain and over £5,000,000 from Greece.

If gentlemen wish to examine the details of this indebtedness and the rate of its progress during the last decade they will find it set forth with a good measure of completeness in Britain A. Hill's recent work entitled *Absolute Money*. The facts are terribly suggestive of the thought that the bursting of the bubble of national credit may soon overshadow the interest attached to the collapse of John Law's South Sea bubble.

In legislating on this vital subject gentlemen should remember that it is the productive industry of the people that enriches a nation and replenishes its treasury; that it is labor, and not coin, that maintains the frame-work of society and supports the public credit; and that whatever stimulates societary motion and facilitates exchanges of commodities promotes the welfare of the people and enables them to contribute to the strength and revenues of the Government.

By contracting our money we have contracted production, restricted consumption, impoverished the people, and reduced the public revenues. Under the statutory threat of forced resumption, which the gentleman would intensify, capital shrinks from investment in any form or character of productive industry, and seeks safety and profit in untaxed securities of the Government. Values continue to shrink. Business is conducted at a loss and taxes are paid, not out of

current profits, as they should be, but out of principal. Each day consumes the substance of the people, and we are traveling, not toward the resumption of specie payments, not toward a favorable balance of trade, but toward individual, corporate, and national bankruptcy.

Mr. Speaker, Mr. J. W. Schuckers, who was confidential secretary to Salmon P. Chase during his administration of the finances of the country, published about a year ago a pamphlet entitled "The Finances, Panics, and Specie Payments," with the motto, "Facts speak." It contains many instructive bits of history, with sage deductions therefrom, and in conclusion, borrowing my language from this little work, I say to the House, as I said to my constituents on the 15th of May last, when promising to carry the agitation for currency reform into every hamlet of Pennsylvania, "That the party, democratic or republican, or whatever its name, which forces resumption of specie payments prior to the practical extinction of the national debt, whether that be in ten years or thirty, will be trampled to death under the feet of the people. Let the future political history of the country be witness as to this!" [Applause on the floor and in the galleries.]

During the remarks of Mr. KELLEY, when the hour expired, Mr. TOWNSEND, of Pennsylvania, said: I ask unanimous consent that my colleague [Mr. KELLEY] be permitted such additional time as may be necessary to enable him to conclude his remarks.

There was no objection, and the remarks, as above given, were concluded.

PRESIDENTIAL TERM OF OFFICE.

Mr. PIERCE. Mr. Speaker, I desire to thank my friend from Pennsylvania [Mr. RANDALL] for moving a reconsideration of the vote by which the joint resolution proposing an amendment to the Constitution was defeated.

The debate which followed the introduction of this question showed a remarkable unanimity of opinion among members on both sides of the House in favor of some change by which the presidential term of office, and the eligibility to re-election, would be limited. There are some who, while voting for a change in one form or another, regard the matter with considerable indifference. To me it is, and has long been, a question of very great importance to the future welfare of the country. I am not in favor of amending or enlarging the Constitution in any respect until the necessity for so doing is clearly apparent. It is not enough to secure my assent that a proposed amendment may be beneficial; it must be made to appear that the failure to make the change will be attended with evil.

In view of the discussion which has been carried on during the past year concerning the re-election of the present incumbent of the office to serve for a longer term than any of his predecessors, and in view of the evil results which are likely to follow from familiarizing the people with such an idea unless some check to its accomplishment is interposed, the present time seems specially favorable for securing intelligent action upon this question.

In the remarks which were made when the reports of the Judiciary Committee were first presented, the opinions of the founders of the Republic were quoted in support of the proposition that the President should not be eligible to re-election for an indefinite number of times. It appears that the foremost men in the convention which framed the Constitution were in great doubt as to the number of years which should constitute the presidential term, and also as to the expediency of making the incumbent eligible to re-election. And at one time it was resolved that the chief executive should be elected by the national legislature for a term of seven years, and should forever thereafter be ineligible. Finally, a committee of revision agreed upon a term of four years, saying nothing about a re-election, and that was adopted by the convention as a compromise between some who were in favor of making the tenure for life dependent only on good behavior, and others who favored a short term with ineligibility to re-election. How Jefferson regarded the dangers likely to follow the unrestricted exercise of the right of re-election has been shown by the gentleman from Kentucky [Mr. KNOTT] who submitted the majority report in favor of a single term of four years, and by the gentleman from Indiana [Mr. NEW] who introduced an independent proposition to prevent a re-election for a third term.

And in this connection it may be well to refer to a report made in the session of 1825-'26 by a committee of the Senate, of which Benton was chairman, appointed to inquire into the expediency of reducing executive patronage. The recommendations made by that committee may still have their use, as Benton says in his *Thirty Years View*, in "showing the democratic principles on practical points of that day, (when some of the fathers of the democratic church were still among us,) and in recalling the administration of the Government to the simplicity and economy of its early days." It is stated in the report that at the time the Constitution was adopted "the feebleness of the old Confederation had excited a much greater dread of anarchy among the members than of power in the head." And the committee go on to say that they believe they will be acting in the spirit of the Constitution in laboring to multiply the guards, and strengthen the barriers, against the possible abuse of power. The patronage of the Federal Government at the beginning was founded upon a revenue of two millions of dollars; at the time the report was made it was operating upon twenty-two millions.

At the time the distinguished Frenchman, De Tocqueville, was studying the institutions of this country, and collecting the facts from which

he afterward produced that remarkable work on Democracy in America, the annual revenue of the Government was scarcely more than \$25,000,000 and the expenditures did not exceed \$15,000,000—a condition of things which actually gave less patronage to the national Executive than is held to-day by the mayors of several cities in this country. What were the views of that experienced and impartial observer upon this question of executive patronage and the right of continued re-election to office? I will read a brief extract from his work:

Intrigue and corruption are vices natural to elective governments. But when the chief of the government can be re-elected those vices extend indefinitely and compromise even the existence of the country. When a simple candidate seeks success by intrigue his maneuvers can operate only over a circumscribed space. When, on the contrary, the chief of the government himself enters the ranks of candidates he borrows for his own proper use the force of the government. In the first case it is one man with his feeble means; in the second, it is the government itself, with its immense resources, which intrigues and corrupts. * * * It is impossible to consider the ordinary course of affairs in the United States without perceiving that the desire to be re-elected dominates the thoughts of the President; that all the policy of his administration tends to this point; that his least movements are subordinated to this object; that in proportion as the moment of crisis approaches individual interest substitutes itself in his mind for the general interest.

It was at the same time that President Jackson repeatedly recommended, in his messages to Congress, that the Constitution should be so amended as to limit the service of the Chief Magistrate to a single term of either four or six years. And Henry Clay, although opposed to Jackson on most political questions, agreed with him in urging the adoption of such an amendment. In a speech delivered in 1840 Clay said:

Much observation and deliberate reflection have satisfied me that too much of the time, the thoughts, and the exertions of the incumbent are occupied during the first term in securing his re-election. The public business consequently suffers.

To come down to a later day I may repeat the views of two statesmen whose long and distinguished services entitle them to especial consideration here. Benjamin F. Wade, just before retiring from the Senate in 1866, proposed an amendment of the Constitution confining the President to a single term, and said, in supporting it:

The offering of this resolution is no new impulse of mine, for I have been an advocate of the principle contained in it for many years; and I have derived the strong impressions which I entertain on the subject from a very careful observation of the workings of our Government during a long period. I believe it has been very rare that we have been able to elect a President who has not been tempted to use the vast powers intrusted to him according to his own opinions to advance his re-election. * * * There are defects in the Constitution, and this is among the most glaring.

In 1871 Charles Sumner advocated the same amendment, and said:

For many years there has been an increasing conviction among the people, without distinction of party, that one wielding the vast patronage of the President should not be a candidate for re-election, and this conviction has found expression in the solemn warnings of illustrious citizens and in repeated propositions for an amendment of the Constitution confining the President to one term.

I might go much further in quoting the opinions of those who have taken a prominent part in the government of our country from its foundation in favor of restricting the presidential term. But I will not trespass upon your time. There is one strong reason for making the change proposed which has presented itself since the Constitution was adopted. It was intended that the electors chosen in the several States should meet unpugged and exercise their personal judgment in the choice of a Chief Magistrate. If this provision of the Constitution had been carried out in accordance with the purpose of those who framed it, we should have an important check upon the evil influences of executive patronage. Instead of that, to use the words of Benton, "an irresponsible body (chiefly self-constituted, and mainly dominated by professional office-seekers and office-holders) have usurped the election of President (for the nomination is the election so far as the party is concerned) and use it to their own profit in the monopoly of office and plunder."

Another reason for the change, and one which did not show itself until the Government had been in operation some years, is the introduction of what has been called the "spoils system."

In obedience to this system—

Says George William Curtis in his report to the President as chairman of the civil-service commission—

the whole machinery of the Government is pulled to pieces every four years. Political caucuses, primary meetings, and conventions are controlled by the promise and the expectation of patronage. Political candidates for the lowest or the highest positions are directly or indirectly pledged. The pledge is the price of the nomination, and when the election is determined pledges must be redeemed. The business of the nation, the legislation of Congress, the duties of the Departments are all subordinated to the distribution of what is called "the spoils." No one escapes. President, Secretaries, Senators, Representatives, are dogged, besought and denounced on the one hand to appoint, on the other to retain subordinates. The great officers of the Government are constrained to become mere office-brokers. Meantime they may have their own hopes, ambitions, and designs. They may strive to make their patronage secure their private aims. The spectacle is as familiar as it is painful and humiliating.

Upon the vicious and corrupting practice of assessing subordinates for political purposes, Mr. Curtis says:

As a part of the vast scheme of patronage, an officer who is appointed solely in deference to political pressure is judged not by the manner in which he does his duty, but by the zeal with which he serves the influence that secured his place. He is poorly paid, but a tax is levied upon his salary for the expenses of the party, and although it is called a voluntary contribution, he is made to understand that there are scores of applicants who would gladly take his place with every increment, and he therefore pays from fear of possible removal. Thus it has become the practice of every party in power to seek to retain power by levying upon the money paid to the public agents for the public service.

Washington during his term of office removed only nine persons for merely personal reasons; John Adams removed but nine, none of them except for cause; Jefferson removed but thirty-nine; Madison only five; Monroe, nine; John Quincy Adams, two. These removals were of persons confirmed by the Senate. Until Jackson's time no members of the clerical force were removed except for cause. That President removed nearly two thousand persons in a single year, merely on partisan grounds; and the result evidently impressed him with the importance of limiting the terms of his successors.

If Randolph, Jefferson, Benton, Jackson, Harrison, Clay, Webster, and Chancellor Kent saw in their times the need of interposing some check to the exercise of the executive patronage in securing a continuance in office, how much greater does that necessity appear to-day, with a revenue of about \$300,000,000 and a civil-service list which embraces about eighty thousand persons? I have made some investigations in regard to the number of Government employes, and in placing it at eighty thousand I know whereof I speak. Think of this army of eighty thousand men, composed largely of those who believe that the whole duty of a Government office-holder is to support the Administration through good report and through evil report—especially through evil report—and it is not surprising that we begin to hear serious talk of a third term, and if this thing continues it will not be many years before we hear of a life term.

The power of the President over these office-holders, and his disposition to exercise it arbitrarily, has been shown in repeated instances; notably in the removal by President Jackson of William J. Duane, Secretary of the Treasury, for refusing to do what he considered an illegal act—the removal of the deposits from the United States Bank;—and quite recently in the forced resignation of a Secretary of the Interior for refusing to allow the compulsory assessment, for political purposes, of officers in his Department. From the Secretary of the Treasury down to the night watchmen in the custom-houses every man feels the hand of the President upon him and knows that if he fails at caucus or convention in bearing true allegiance to his chief he is liable to be discharged. That is the condition of the civil service to-day. I regret to say it, but I feel that it ought to be said. Now, what is the remedy? The removal of one great incentive to the exercise of arbitrary power on the part of the Executive is the limitation of the presidential office to a single term. I do not expect that that will do away with all abuse of executive patronage; but it must certainly do much to improve the present condition of the Government service.

And now in regard to the extent of the single term to which the President should be limited I have this to say: The interval between elections should be made as long as prudence would dictate to be safe. The evils attending our presidential elections are manifest. The business interests of the Government and the people are suffering to-day from the preparations for the approaching election and the uncertainty of the result. I am strongly of the opinion that the term suggested by the minority of the Judiciary Committee, namely, six years, is on many accounts the best; and I trust the sober second thought of the members on the other side of the House will coincide in that view. It corresponds with the term of service of members of the Senate, and beyond that time I do not think it would be wise to go. The term of seven years, which seemed to be in the minds of those who framed the Constitution, would not enable the President to enter upon his duties at the same time that members of a new House of Representatives are chosen to enter upon theirs.

As to the time when the amendment shall take effect, I will say frankly that my first impression was against the date named by the minority; but the very clear explanation given by the gentleman from Maine [Mr. FRYE] of his reasons for designating the year 1885 has convinced me that the final success of the measure is largely dependent upon that point.

RESUMPTION OF SPECIE PAYMENTS.

Mr. TOWNSEND, of Pennsylvania. Mr. Speaker, I, too, wish to speak for the toiling millions, but not in accord with my distinguished colleague from Philadelphia. I had hoped that the propriety of a resumption of specie payments at an early day and a preparation for resumption on January 1, 1879, had been acquiesced in by political parties because of the unmistakable wish of the people, which has been so often and so emphatically expressed.

The first act passed by Congress under the present Administration, in 1869, was an act to strengthen the public credit of the nation, by declaring that the bonded debt and legal-tenders were payable in gold, and that measures should be taken to establish an early resumption of specie payments. The democratic and republican national conventions of 1872 made declarations to a similar effect; and the voice of the people was most clearly made manifest during the recent State elections, and most notably in Ohio and Pennsylvania.

In these two States, the democratic party, reversing its frequently declared sentiments and antagonizing its long time Jacksonian and Bentonian traditions in favor of a hard money or convertible currency, placed itself in opposition to resumption, declared in favor of additional issues of legal-tenders and of the extinction of the national banking system, and the substitution of State banks in its stead. It went to the people on that issue. The merits of the question were discussed at every cross-roads store, in every district school-house, in town and county conventions, and after a thorough examination of

the whole financial question the people declared in favor of a redeemable currency by a defeat of the democratic candidates for governor in the States just mentioned.

With such an emphatic declaration of public sentiment there should be no hesitation on the part of Congress as to its duty; and although some bills have been presented to the House based on the principles of those democratic platforms which, if passed, would defeat the will of the people thus expressed; yet believing from the vote on the Holman resolution and other indications that there is a majority in Congress having a determination to respect the popular will by providing for a resumption of specie payments sooner or later and furnishing the people with honest money, I desire to offer some suggestions as to the best method of providing for such resumption.

The act of 1875 provides for the redemption of the legal-tender notes of the Government after January 1, 1879. I opposed the passage of the bill for several reasons, among which were these: that it was pushed through the House under the operation of the previous question, thus cutting off nearly all debate and all opportunity of amendment; that it surrendered the sovereign prerogative of regulating the currency, to two thousand banks; that it provided for redemption at a single place in this wide nation and on sums not less than \$50, thus making it a bankers and brokers' and not a poor man's redemption; and because it was so imperfect that it could not be executed without other legislation than that which it contained.

The correctness of my views stands confirmed in the fact that both the President and Secretary of the Treasury have recognized its deficiencies and recommended that they be supplied.

Notwithstanding my original objections, as an opportunity now occurs, and as a disposition is now manifested to carry out the spirit if not the letter of the law, and the time of redemption has been fixed and great masses of the people are turning their minds toward doing their part in effecting that result, I will earnestly oppose any postponement of the time already named, and will advocate any means that will aid in the contemplated redemption. I propose, therefore, to offer some suggestions as to the measures which seem to me to be necessary to effectuate the intention of the act of 1875.

In considering the best means of restoring the currency of the Government to a specie basis we should first ascertain the obstacles in the way of resumption, and afterward the most appropriate methods for their removal.

The first great obstacle, in my judgment, lies in the depreciation of the legal-tenders. This arises from several causes. In 1864, toward the close of the war, the legal-tenders had depreciated until they were worth only forty cents in the dollar. This arose from the doubt in the minds of capitalists and the people whether the Government would be able to suppress the rebellion, and whether it would not have to make, under sheer necessity, a still further issue of legal-tenders. This doubt, however, ceased with the surrender of Lee, in April, 1865, and the greenbacks rose and fluctuated in that month between sixty-two cents and seventy cents in value, expressed in gold. With the removal of that doubt, however, there still remained the distrust that the enormous debt imposed upon us by the war would be too heavy for the nation to bear, and that the taxation necessary even to keep down the interest would be so onerous as eventually to result in repudiation.

The rehabilitation of the rebellious States to their original political position in the nation; their appearance in Congress by their Senators and Representatives, who have sworn allegiance anew to the Constitution and declared that hereafter they want but a common flag, a common nation, and a common destiny, aided by a taxation that has made manifest the wonderful resources of the people, enhanced still further the value of the legal-tenders, until, in 1870, they rose in value to eighty-three cents in gold.

The great recuperative powers of the Government, by which we paid off five hundred millions of public indebtedness in a very few years, established our credit among the nations of the world and enabled the Secretary of the Treasury to reduce \$500,000,000 of the 6 per cent. bonds to 5 per cents, thus saving five millions in interest annually, and enhanced the value of the legal-tender dollar to eighty-nine cents, where, with a few fluctuations upward or downward, it has remained for the last four or five years.

All doubt of the perpetuity of the nation having been removed, and the credit of the bonded debt being above par in gold, two elements of discredit have been eliminated from the problem, and there can only remain one other reason for the depreciation of the greenback, and that is its superabundance or redundancy. This is evident from several facts, among which are these, that the bonds of the Government are above par as just stated, while the unimpeachable credit and eventual ability of the Government to redeem the legal-tenders are insufficient to keep them at par. As they form, in common with bank-notes and bank deposits, the current means of every day's business transactions, and are influenced by them, they must be considered in connection therewith.

In 1861 the legal-tenders, bank-notes, and deposits amounted to seven hundred and nine millions, or \$21.81 *per capita*; in 1866 those items were increased to twelve hundred and sixty-two millions, or \$35.31 *per capita*; in 1875 they were increased to fourteen hundred and fifty-six millions, or, as population had increased rapidly, they amounted to \$33.10 *per capita*. All this was independent of the de-

posits of savings-banks and State banks, which amounted to thirteen hundred and forty-six millions in the latter year; and as these were also mostly payable on demand or at short notice, it would swell the amount of ready and available cash or its equivalent to a *per capita* rate of \$83.70—a larger rate of ready money to the individual than could be found in any other nation of the world. Add to all this the fact that there is now lying idle in the Treasury and in the national banks, over and above their reserve, the sum of \$125,000,000 which cannot be used by its owners profitably, and we can readily see that there is more available ready money on hand than the necessities of domestic and foreign commerce require.

Now, money is much like other commodities. If it is in excess, it depreciates; if it is in deficiency, it appreciates. That it is in excess is shown by the figures I have just given, and also that its depreciation does not arise from any doubt of the ability of the Government to eventually liquidate its whole indebtedness.

There is, however, a greater obstacle than a depreciated currency to be removed before the Government can resume specie payments and maintain such a resumption. That obstacle is to be found in the fact that we are a debtor nation, and that our resources are annually drawn from us to pay our annual interest and the annual balances arising from our foreign traffic.

It is generally acknowledged that our indebtedness to foreign nations is over \$2,000,000,000. The great leader of the democratic party party in 1872, its standard-bearer and candidate for the Presidency, estimated that our annual interest due to foreigners was one hundred and twenty-five millions. A part of our bonded debt has been reduced from 5 per cents to 6 per cents, and a part has been paid since then. Governor Tilden, in his late message, estimates the annual interest still due abroad at one hundred millions. How that heavy indebtedness was incurred and the annual burden imposed upon us is easily explained to us in the Treasury reports, which show an extraordinary expenditure engendered by a superabundant currency, profitable war contracts, extravagant habits, and all the concomitants attendant upon a vicious circulating medium, the result of the late war.

Beginning with the war of the rebellion in 1861 and concluding with the fiscal year ending in 1875, we find that we imported of foreign merchandise \$6,207,800,000, and of foreign specie \$286,500,000, amounting in all to \$6,494,300,000. To settle this indebtedness we exported of our own domestic merchandise only \$4,817,700,000, and of foreign merchandise, \$231,400,000. These sums did not balance accounts between us and foreign nations, and we added to them of our own specie \$959,100,000, and of foreign specie \$122,100,000; amounting in all to \$6,130,300,000, leaving us still short \$364,000,000 on the custom-house books.

As the amount of gold in the country in 1860 was estimated at \$275,000,000, in 1861 at \$250,000,000, and is now estimated by the Director of the Mint at only \$140,000,000, it is evident that in settling with foreign nations we paid them every dollar of the gold we raised from the mines, and drew on our reserved fund for \$135,000,000 more. This was only the balance of trade as shown by the custom-house books, and not the balance of accounts as shown on the great national ledger when we made our annual settlement with the outside world. To this again must be added at least 5 per cent. for undervaluations on the imports, making at least twenty-five to thirty million dollars per annum. In addition we may safely add \$5,000,000 for smuggled goods, for which we have to pay.

Before the war we carried three-fourths of our products to foreign countries in our own vessels and realized the freights thereon, which amounted to many millions; but now we have but one-third of the carrying trade of our own products, and hence have to pay to foreigners for carrying the remaining two-thirds of our commodities, which is another heavy item of our annual indebtedness, the amount of which I am unable to estimate. It is many millions.

To all these must be added the annual payment of \$100,000,000 or more of interest on national, railroad, State, and municipal bonds, which does not appear on the custom-house books, and with these matters operating against us more or less during the period mentioned, we can readily understand how the immense indebtedness abroad has originated, and appreciate the fact that we are a greatly indebted nation.

If we should examine the Treasury reports alone, which show a custom-house balance in our favor for the last two years, we might conclude we are a creditor nation, but when we take into the calculation those circumstances above mentioned, which never show on the custom-house ledgers, we cannot but conclude that we have still to provide for an annual deficit of perhaps \$100,000,000.

With such an annual balance against us, drawing from us every dollar of gold that we raise from the earth and also encroaching on our surplus with silver rapidly depreciating in the markets of the world because of the disuse of it as a legal-tender in Germany, Denmark, and Sweden and Norway, we cannot hope to maintain a redemption of the greenbacks and a general resumption of specie payments. As the law now stands, it is a financial impossibility. We can only hope to bring about a resumption by making ourselves a creditor nation.

The ease with which a creditor nation can manage great financial burdens was most notably exhibited recently in the case of France. When Prussia placed her foot on the neck of France and imposed

upon her a fine of five billions of francs in gold and silver or their equivalent, amounting to \$1,000,000,000, to pay her expenses in the war, and gave her only three years to pay it, the world stood aghast at the magnitude of the penalty and the short time in which it was to be liquidated. But France was equal to the emergency. She was a creditor nation. Almost all the world owed her tribute, and her people had hordes of specie besides. She drew her bills on her debtors. England, Holland, Belgium, even Prussia, owed her, and by her drafts on these nations she liquidated nine-tenths of her indebtedness before the stipulated time, and settled the balance with about fifty millions of dollars in gold and as much in silver, and in all the war the notes of the Bank of France did not fall more than 3 per cent below par.

Our case has been exactly the opposite. We have been and are still a debtor nation; and the legal-tender notes of the Government and the national-bank notes fell as low as forty cents in the dollar. If, then, we hope to effect specie payments within the time designated, we must remove the obstacles of which I have spoken. I have no doubt we can do it if we make the proper preparation.

As our currency is redundant, the first thing to do is to get rid of the redundancy. That will be most easily effected by authorizing the Secretary of the Treasury to fund all the greenbacks that may be presented to him in a 4 per cent. bond, payable in thirty or forty years, with interest payable quarterly in gold. As the bond will be at a lower rate of interest than that which prevails in ordinary business transactions, it will only draw off the surplus moneys that are not needed for business operations and which are lying idle and unprofitable.

The greenbacks should be funded whenever presented, and not by monthly installments; and if when business revives the volume of currency should be found too restricted, the remedy is at hand and easily to be applied by the aid of the national banks, which now can be created to an unlimited number and whose issues can only be confined to the limits of the United States loans they can command as a basis of circulation. They will afford a remedy for any stringency in the currency that might be effected by the withdrawal and funding of the legal-tenders; and this withdrawal should not stop when the limit of \$300,000,000 is reached, but should be continued as long as their holders desire to fund them. This would be but a renewal of the privilege granted by the act of 1862, and which was unfortunately repealed by the act of 1863. The operation of such a system will render the greenbacks more valuable as they are retired, and will bring them nearer the price of gold; and, as it was with the books of the Cumean sibyl, it will also be with the legal-tenders—the destruction of some will enhance the value of the remainder.

While this policy will bring the value of the legal-tenders more nearly to that of gold, and will discourage imports and encourage exports to a certain extent, it will make resumption more easy, because of the less amount to be redeemed, and of a reduction of the balance of trade against us, but it will not entirely provide for a full redemption by the Treasury, and a permanent resumption by the banks as well. To effect such resumption we must accumulate a store of gold. We must have under the control of the Government and the banks at least \$250,000,000 in gold.

The act of 1875 provides that the Secretary of the Treasury may sell bonds to obtain gold. But where can he sell them and get it? Not in England, because she has none to spare. When we obtained the award of \$15,000,000 in the Alabama case, England insisted that we should not draw it in gold but in bonds, for it would otherwise disturb her money market. Not from Germany, Sweden, Denmark, or Norway, for they have recently adopted gold as their standard for their legal-tender coinage, and are accumulating it for the wants of their own people. Not from Belgium, Switzerland, Italy, Netherlands, Portugal, or Spain, for their currency is of the double standard and largely in silver. Not in France, for she has not resumed specie payments, and the Bank of France has \$300,000,000 in gold and is hoarding more preparatory to her resumption.

If the Secretary of the Treasury should throw upon the European market bonds of sufficient amount to obtain one-quarter of the sum in gold necessary to effect specie resumption it would agitate every money market and exchange in Europe and disturb the whole monetary affairs of that part of the globe. It would at once raise the rate of interest in the Bank of England and other financial institutions so high as to make it more profitable to have the gold at home than to let it come to America, and in less than a month after it had reached our shores it would be on its return to the European money centers. To attempt to supply our country with gold by such an artificial process with a hope to retain it to perpetuate a resumption of specie payments would be as idle as to expect to retain water in a sieve.

The question then arises, How shall we accumulate enough specie to effect and maintain redemption and resumption? It cannot be done by any artificial process? It must come by the operations of trade and commerce. It must be effected by making ourselves a creditor nation, like France, instead of being a debtor nation, as we are and have been for fifteen years. We must buy less and sell more. We imported during the last fiscal year over \$550,000,000 worth of the products of foreign industry, as Dr. Young's valuable tables show. Of this immense sum \$380,000,000 were dutiable and consumed, more than one-half of which could be manufactured here if sufficient legislative encouragement were given. For instance, we imported of—

Breadstuffs.....	\$9,000,000
Buttons.....	2,000,000
Cotton manufactures.....	24,000,000
Earthenware.....	4,000,000
Glass.....	5,000,000
Iron and steel.....	\$20,000,000
Leather, nearly.....	10,000,000
Lead, nearly.....	2,000,000
Provisions.....	1,000,000
Flaxseed, nearly.....	6,000,000
Tobacco and cigars.....	7,000,000
Lumber, nearly.....	6,000,000
Wool and woolen manufactures.....	55,000,000
Total.....	151,000,000

If we were to add other small items it would raise the whole amount to one hundred and sixty millions of dollars' worth of articles that we ought to produce or manufacture at home.

Why should we not manufacture at least one-half that amount, say eighty millions, and keep that amount of money in the country, instead of sending abroad our gold to pay for such productions? We have the raw material in abundance, ready for use, on every side. We have machinery of the most ingenious kind in our manufactories of woolen, cotton, iron, wood, and other materials. We have mechanics and artisans well skilled in all branches of industry, thousands of whom are idle, yet anxious and willing to work, but whose labor is displaced by the cheaper labor of other nations.

Then, why should we not have such legislation as will give to our working-men the manufacture of a portion at least of those articles already mentioned, so as to prevent a part of the annual drain of gold for the benefit of other nations and retain it within ourselves as an increasing fund for banks and treasury toward the necessities of the day of resumption?

National dignity, national pride, national honor repeatedly pledged, all require that we should use all proper means for accumulating a fund wherewith to liquidate our dishonored indebtedness.

By such legislation we would give employment to the thousands of unemployed artisans and workmen now standing idle around our ship-yards, our mills, and manufactories, and would give food and clothing to their half-fed and half-clad families.

The retention of \$80,000,000, or even less, in our country of what we pay for foreign manufactures would set the wheels of industry in motion in every direction, and would give employment and compensation to those to whom we are bound by every tie that binds citizens to a common country and the government thereof to the citizens.

It may be said, however, that our refusal to take that amount of foreign productions would lessen the revenue to a considerable extent. It would, of course, lessen the revenues to the amount of duties that would otherwise be collected from such importations, but they could be replaced by curtailing some of the expenses of the Government, and by the enhancement of the value of our currency. Those expenses are annually decreasing as we recede from the war and the heavy burdens it has imposed.

I call the attention of the Committee of Ways and Means to the subject, for it is within their province to propose all legislation affecting imports from foreign nations and of raising the ways and means for the redemption of the national currency. I am well aware that this involves the question of adjusting duties, and that to so lay them as to give the home market to our own citizens will be assailed by some as protection and denounced by others as monopoly, and by still others as robbery, as has been done heretofore.

It will no doubt be urged that any legislation effective of the end I propose will be a tax on the consumer of the articles for the manufacture of which a preference is given to the American citizen, and will insure a rise in prices, not only of the imported article, but of all similar articles produced here, on the allegation that all duties have to be paid by the consumer of the dutiable article and that they equally affect similar articles produced at home. I do not admit the doctrine. Experience proves it untrue. If such a doctrine were true, how is it that all commodities upon which sufficient duties have been imposed, and which could be manufactured in our country, have fallen in price? How is it that Bessemer steel has fallen to one-half the price it cost before we began under an adequate duty to manufacture it here? The consumers of steel surely cannot complain while they profit so highly from the results of a duty. If it were true, the farmers and planters cannot complain, for their wheat, rye, corn, oats, barley, buckwheat, rice, and tobacco are all protected by various rates of duties; and in 1870 the amount of those articles raised in our country was enhanced in price, according to that theory, to the amount of \$262,000,000.

If the theory that duties always enhance prices is true, the converse of it ought also to be true, that repealing duties will lower prices; yet when Congress took the duties off tea and coffee the prices did not fall, but were kept up for the benefit of the foreign producer, as the Treasury reports have shown. Our fathers did not admit the doctrine, for almost the first act they passed in the First Congress was intended to give the preference in manufactures to our own people.

In its earlier and better days the Tammany Society, of New York, did not believe it, for in 1819 it

Resolved, That we discountenance the importation and use in our families of every species of foreign manufacture or production which can or may be reasonably substituted by the fabrics of productions of the United States.

I do not, however, propose to argue the principles now upon which a tariff should be adjusted. I only want to call the attention of the House to the fact that we annually import between five hundred and fifty and five hundred and sixty million dollars' worth of foreign articles, of which a large amount could be as well made at home, and by so doing give employment, bread, and clothing to thousands of deserving men now out of work, who are impoverished and a burden on the community, and to the necessity of retaining an accumulating fund toward resumption a sufficient sum to enable the Government and the banks easily to resume specie payments in 1879.

I wish to impress upon it the still more important fact that under existing laws we are annually increasing our foreign indebtedness, already two thousand millions, to the amount of one hundred millions or more, and drifting still further away from the possibility of resumption, and that without additional legislation to prevent that annual drain on our resources the resumption of specie payments will remain a financial impossibility. Such a startling fact should well give us pause.

The withdrawal of the surplus legal-tenders will no doubt take away a heavy burden of irredeemable currency that has been enhancing prices, making them unstable, delusive, and unsatisfactory, and vitiating the channels of trade and commerce, to the disadvantage of the fair dealer and the enriching of the reckless and dashing speculator.

The redundancy of the currency has made this country the best in the world in which the foreigner could sell, because of the unnatural prices it gave to all commodities. It made it the worst in the world to export from, because of the high prices it gave to the raw materials and labor, making the finished production too dear to enter into competition with the markets of the world. It deluded the workingman, for although it enhanced his wages slowly, yet it advanced prices of all articles he consumed more rapidly and in a greater proportion.

When my old colored friend John Brown was mowing my lawn during the war I asked him why it was that he charged me twice as much wages as he had done a few years before. His reply was, "Ah, Mr. TOWNSEND, your two dollars and a half to-day will not fill my market-basket to-morrow morning near as full as your dollar and a quarter did a few years ago." John Brown understood the subject practically. He was a political economist without knowing it.

It deluded the farmers, because, as Professor Perry told them at Omaha in 1874, "it is true that farmers always have been and always will be the greatest losers from rag money, partly for the reason that I have just given—namely, that what they have to buy is enhanced in price by it, while that they have to sell is not enhanced in price by it—and partly, also, because it takes the farmer almost a year to realize on his crops, and he cannot meanwhile insure himself against the inevitable changes in the currency. The dollar in which he calculates the expenses of his crops is almost sure not to be the dollar in which he realizes the results of his crops. He cannot calculate; he cannot insure himself; he is helpless."

John Stuart Mill has well said:

Although no doctrine in political economy rests on more obvious grounds than the mischief of a paper currency not maintained at the same value with a metallic one, either by convertibility or by some principle of limitation equivalent to it, and although, accordingly, this doctrine has, though not till after the discussions of many years, been tolerably effectually drummed into the public mind, yet dissentients are still numerous, and projectors every now and then start up with plans for curing all the economical evils of society by means of an unlimited issue of inconvertible paper. There is, in truth, a great charm in the idea. To be able to pay off the national debt, defray the expenses of government without taxation, and, in fine, to make the fortunes of the whole community, is a brilliant prospect, when once a man is capable of believing that printing a few characters on paper will do it. The philosopher's stone could not be expected to do more.

There is, therefore, a great preponderance of reasons in favor of a convertible preference to even the best-regulated inconvertible currency. The temptation to overissue, in certain financial emergencies, is so strong that nothing is admissible which can tend, in however slight a degree, to weaken the barriers that restrain it.

I earnestly commend this doctrine to the study of the democratic syndicate which is now vigorously wrestling with the currency question, and which has in charge the delicate and difficult task of harmonizing the conflicting opinions of leaders of the party on that question, and which, I hope, will present some feasible scheme of sustaining the nation's pecuniary credit and upholding the nation's repeated pledges of a specie resumption.

In short, such a currency benefits no one but the keen, sharp, shrewd speculator, who is always on the watch to take advantage of every change in the money market and to be a bull or a bear or to make a corner in stocks, gold, currency, or commodities, as the opportunity may offer.

Taking away this redundancy will bring prices to their normal condition, restrain in some degree excessive importations, restore confidence to business men, encourage legitimate business affairs, and raise the balance of the currency nearer to a par in gold, and make more easy the task of resumption.

If we can, in addition, so legislate as to give to our workmen the opportunity of creating a portion of those commodities we now purchase abroad, we will retain a portion of the gold now paid to foreigners and give it to our own people, and recognize the principle that should always be present to every patriotic mind that the work of America should be done by the workmen of America.

The products of our mines, which now pass from our hands as rapidly as they are produced, will remain within our borders and the resumption of specie payments by banks and Government within the

time prescribed will be an absolute certainty. Without the adoption of this policy resumption, in my judgment, cannot be effected. To make it the people's and not the brokers' resumption the law should be so amended as to make the legal-tenders redeemable at some point in every city of the Union and whenever presented in sums from one dollar upward. As the law now stands, those having less than \$30 who wish their notes redeemed will have to submit to such a shave as the broker may demand before he will give them gold for their legal-tenders.

In this connection, and before I conclude, I desire to allude to the fact that a great many bills have been introduced into Congress this session, some intending to provide for specie payments and others to postpone it indefinitely.

The favorite idea of democratic resumptionists seems to be that the Treasurer should reserve a portion of the duties and the banks should retain a portion of their interest on the bonds they own, all of which are payable in gold, as an accumulating fund toward resumption.

The lowest amount to be retained annually by the banks, so far as I have observed, is 5 per cent. on the amount of their circulation and 5 per cent. by the Government on its legal-tenders, and that the time for resumption fixed in the act of 1875 should be postponed until banks and Government could by this process resume.

I am unable to conceive of a scheme that would be more likely to defeat the end intended than this, and to disturb commerce in every quarter. This policy would lock up in the first year \$35,000,000, almost as much as the Government owns, and in the second year as much more, being a greater amount than both banks and Government now hold. As this locking-up process went on gold would become more scarce, and would rise in price far beyond the present figures, and the merchant would find difficulty in obtaining it to pay duties; and as the Government would be required to hold the amount locked up, it would experience great trouble in obtaining enough to pay its interest, for which the faith of the nation is pledged.

The result of this policy would be to give to the gold speculator an early opportunity to make a corner in gold and raise its price to an extraordinary figure, to the destruction of all legitimate commerce, the embarrassment of the banks, and the discredit of the nation. All artificial expedients like these to procure a resumption of specie payments will inevitably fail, for the end desired can only be obtained by a close observation of and respect for the fixed principles that govern currency and those that regulate internal and external commerce.

We ought not, therefore, to adopt the policy of locking up gold, and thus create a stringency in the gold market that would inevitably embarrass commerce in every direction. Neither should we adopt the opposite policy of repealing the resumption law. We must have the courage and determination to sustain that law. The preparation for it has already begun. Some ten or twelve millions of subsidiary coin have been prepared, and it cannot be a great while before there will be sufficient to supply the place of the fractional currency and to give to the people for their minor transactions of every-day life a money that will have inherent value instead of the dirty, greasy, and ragged shin-plasters that have to be renewed every fifteen months. This will be a good beginning.

If, however, we should repeal the resumption law, the sure result would be that the day of resumption being thus indefinitely postponed, the people would at once start forward again in speculative enterprises that would appear to be legitimate business activity; the banks would foster it by extending their loans and discounts, new projects of all kinds would be instituted, and while a seeming prosperity would ensue, the inflation of the currency would again exaggerate prices and make necessary more money for business, until credit was stretched to its utmost limit and until on some fine morning a whisper of distrust of some great banking-house in Wall street that had overtraded in stocks, gold, or securities would be heard around, followed by a run and then a crash that would bring down thousands in a common ruin, followed in all probability by a national repudiation.

If, then, we wish to avoid an indefinite suspension of specie payments with all its attendant evils, we cannot do it by substituting one national paper obligation payable on demand for another; we cannot do it by an artificial and enforced contraction of the gold supplies; we cannot do it by substituting legal-tenders for national-bank notes; we can only do it by absorbing and retiring a portion of the legal-tenders, thus appreciating the value of the remainder, and by such legislation as will make us a creditor instead of a debtor nation. By such absorption and legislation gold will flow in upon us in small rills from every country, until the accumulated mass before the day of resumption will be so large that banks and Treasury will be enabled to pay their notes, to all who may demand it, in the honest currency recognized as such by all the world, and a safe and sound business conducted on legitimate principles will restore us again to a permanent national prosperity.

APPENDIX.

But when a nation is year after year drawn upon for coin to pay balances standing against it in the foreign marts whither its produce is sent, whence its fabrics and wares are imported; when its banks, because of such drafts find it difficult and sometimes impossible to maintain specie payments; when the obligations of its government, States, provinces, counties, or cities, and of its industrial or moneyed corporations are constantly tending abroad for sale even at ruinous rates, with no counter-current of securities in the opposite direction; when such a country finds its banks founded in part on foreign capital, its mines sold out to foreign creditors, its railroads

in good measure owned and managed if not actually constructed by them, and everything tending more and more to make its people toil and sweat through future ages to pay barely the interest and dividends which must necessarily be due from them to foreigners, then I submit that the course on which that country has entered is perilous, and portends evil at hand.

I do not insist that a nation should prize gold and silver above wealth, seeking to import and amass them; I do not say that a moderate afflux of the precious metals from a country which bounteously produces them is to be deprecated; I do not say that a nation should never owe a shiver abroad, nor import a fraction more than its exports in a given year; but I do hold that a nation, like an individual or a family, should pay as it goes; should buy no more than it can pay for; should dread running into debt, and avoid it when it may; and that the exportation of its coin or bullion beyond the amount of its annual product is improvident, thriftless, and tempts as well as tends to financial disaster. "In time of peace and fair harvests we need not run in debt, and should not."—*Greeley's Political Economy*, page 67.

Mr. WHITEHOUSE. I move that the House now adjourn.

The motion was agreed to; and accordingly (at three o'clock and forty-five minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. BLISS: The petition of tobacco manufacturers of New York, for the abolition of the import duty on mass and stick licorice, to the Committee of Ways and Means.

By Mr. DANFORD: The petition of J. J. Mercer and others, of Belair, Ohio, that aid be granted the Southern Pacific Railroad, to the Committee on the Pacific Railroad.

Also, the petition of E. M. Scott and others, of Cambridge, Ohio, of similar import, to the same committee.

Also, the petition of J. M. Carson and others, of Cambridge, Ohio, of similar import, to the same committee.

By Mr. GARFIELD: Memorial of John J. King, for compensation for damages sustained by reason of the murder of his mother and father by Indians, to the Committee on Indian Affairs.

By Mr. HOPKINS: The petition of citizens of Etina, Allegheny County, Pennsylvania, that aid be granted to the Texas Pacific Railroad, to the Committee on the Pacific Railroad.

Also, the petition of citizens of Pittsburgh, Pennsylvania, of similar import, to the same committee.

By Mr. SAVAGE: The petition of 40 citizens of Fayette County, Ohio, of similar import, to the same committee.

By Mr. TARBOX: The petition of the Pilgrim Congregational church, of Cambridge, Massachusetts, for the appointment of a commission of inquiry concerning the alcoholic liquor traffic, to the Committee of Ways and Means.

By Mr. WOOD, of New York: The the petition of Theo. V. Brenison, for pay for services rendered the United States as assistant marshal of the census, to the Committee of Claims.

Also, the petitions of George Dittmar and Henry Bauer, for bounty, to the Committee on War Claims.

IN SENATE.

MONDAY, February 21, 1876.

Prayer by Rev. WILLIAM H. MILBURN, of New York.

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

PETITIONS AND MEMORIALS.

Mr. McCREERY presented the petition of John Dwyer, late a private soldier in Company C, Fourth United States Cavalry, praying that his name be placed on the pension-rolls; which was referred to the Committee on Pensions.

Mr. WINDOM presented resolutions of the Legislature of the State of Minnesota, in favor of the improvement of the Minnesota River; which were referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

Whereas the practicability and feasibility of improving the navigation of the Minnesota River are clearly shown and demonstrated by the surveys thereof made by the War Department, by a system of locks and dams, whereby permanent navigation of said river during the season thereof can be secured to the great relief of the grain-producing interests of this State: Therefore,

Be it resolved by the Legislature of the State of Minnesota. That our Senators in Congress be instructed and our Representatives therein be requested to use their influence in behalf of legislation favorable to the improvement of the Minnesota River by a system of dams and locks, whereby permanent navigation of said river may be obtained during the season of navigation in said State of Minnesota.

Resolved. That the secretary of state forward a copy of this resolution to each of our Senators and Members of Congress.

J. B. WAKEFIELD,
President of the Senate.
W. R. KINYON,
Speaker of the House of Representatives.

Approved February 10, A. D. 1876.

J. S. PILLSBURY.

STATE OF MINNESOTA,
Office of the Secretary of State:

I certify the foregoing to be a true and correct copy of the original on file in this office.

Witness my hand and the great seal of the State, this 12th day of February, A. D. 1876.

[SEAL.]

J. S. IRGENS,
Secretary of State.

Mr. WINDOM presented a memorial of the Legislature of the State of Minnesota, asking an amendment to the pre-emption laws of the United States; which was referred to the Committee on Public Lands, and ordered to be printed in the RECORD, as follows:

Whereas an amendment to the pre-emption laws of the United States, permitting the applicants thereunder to make yearly or semi-yearly partial payments for the lands held by them would greatly ease and assist such persons in paying for their land; and whereas such laws so amended would induce a greater immigration to and settlement upon the lands subject to pre-emption, and thus become of individual and general benefit, and work no loss to the Treasury of the United States: Therefore,

Be it resolved. That the Senators and Representatives of this State in Congress be, and hereby are, requested to use their influence to secure such amendment to the present pre-emption laws of the United States as will allow the applicant thereunder to make annual payments for any legal subdivision of the lands he may be entitled to hold within the time now prescribed for proving up and to receive a patent therefor.

J. B. WAKEFIELD,
President of the Senate.
W. R. KINYON,
Speaker of the House of Representatives.

Approved February 3, A. D. 1876.

J. S. PILLSBURY.

STATE OF MINNESOTA,
Office of the Secretary of State.

I certify the foregoing to be a true and correct copy of the original on file in this office.

Witness my hand and the great seal of the State, this 12th day of February, A. D. 1876.

[SEAL.]

J. S. IRGENS,
Secretary of State.

Mr. WINDOM presented a memorial of the board of trade of the city of Minneapolis, Minnesota, asking an appropriation for the improvement of the Red River of the North; which was referred to the Committee on Commerce.

He also presented a petition of 938 citizens of Minnesota and Wisconsin, praying for an appropriation to complete the Fox River improvement and for the construction of a canal along the Wisconsin River from Portage City to Prairie du Chien; which was referred to the Committee on Commerce.

He also presented a petition of 46 leading business men of Winona, Minnesota, praying for a repeal of the bankrupt law; which was referred to the Committee on the Judiciary.

Mr. ROBERTSON presented a petition of citizens of South Carolina, surviving soldiers of the Florida war against the Seminole Indians in 1836, praying to be allowed pensions; which was referred to the Committee on Pensions.

He also presented the petition of Joseph Culbreath, of Edgefield County, South Carolina, a soldier of the war with Mexico, praying to be allowed a pension; which was referred to the Committee on Pensions.

Mr. LOGAN presented a petition of citizens of Lake County, Illinois, praying for the cession to that State of the wet lands lying between the water-line of the Meander Lakes and Government Meander line, and what was called Pistaker Lake at the time of the Government survey; which was referred to the Committee on Public Lands.

He also presented a memorial of volunteer officers wounded in the United States service, showing the inequality between those pensioned and those retired, and praying equal and exact justice; which was referred to the Committee on Military Affairs.

He also presented the petition of Colonel A. W. Preston, praying for relief as a retired officer of the Army; which was referred to the Committee on Military Affairs.

He also presented additional papers relating to the petition of John T. Taylor, Company M, First Maryland Cavalry, praying for a correction of his Army record; which were referred to the Committee on Military Affairs.

He also presented a petition of brewers of Milwaukee and Chicago, praying Congress for relief from certain restrictions and regulations imposed upon them by the internal-revenue officers of the Government, alleged to be unauthorized and unjust; which was referred to the Committee on Finance.

Mr. WITHERS. I present the petition of Thomas Kreger & Co. and sundry citizens of Abington, Virginia—I recognize the names of the leading business men of that community—praying for the repeal of the bankrupt law. I move that the petition be referred to the Committee on the Judiciary.

The motion was agreed to.

Mr. MORRILL, of Maine, presented the petition of Jennie L. Wall, for an appropriation of \$225 to pay her salary as a clerk in the Treasury Department for the months of August, September, and October, 1871; which was referred to the Committee on Claims.

Mr. HAMLIN. I present the following resolution, which is in the nature of a petition, accompanied by other papers which I wish to have referred to the Committee on Claims:

Resolved. That the Committee on Claims be directed to inquire what, if any, sum may be due to Charles B. Varney, of Portland, Maine, for rent and use of lands in Portland for the years 1867 and 1868 and a part of 1869, and to report by bill or otherwise.

The resolution was agreed to; and the accompanying papers were referred to the Committee on Claims.

Mr. SHERMAN. I present the petition of a very large number of leading merchants of Cleveland, Ohio, praying for the repeal of the