

has always been in the regular service, and is now, that the noncommissioned officers' pay is entirely too little compared with that of privates. Under any proper pay bill there should be a much greater relative increase in the pay of noncommissioned officers, particularly the higher grades, than they now obtain. Therefore the word "average" is of great importance to enable those discrepancies to be corrected.

I will say, more than that, that it would materially benefit the Army to have some provision made for the retention in the service of soldiers who have served a certain length of time, so that the Army might have the advantage of their experience.

Mr. McLAURIN. Mr. President, the Senator from Delaware sees a difficulty in this matter. I also see a difficulty in the matter which I do not think ought to be permitted to remain in the bill. If noncommissioned officers are receiving less pay than they should in proportion to the pay of private soldiers, their pay ought to be increased by a greater per cent. So also with the electricians. But the private soldier ought not to be required to depend upon the fixing of a rate by somebody who is not going to look after him. This Senate and this Congress ought to look after his rights and to protect them in law. If this increase is to be made greater in behalf of the noncommissioned officers and the electricians, and therefore necessarily less in behalf of the private soldier, who is to do that? Ought it not to be done by the law?

Mr. BACON. I was extremely unfortunate—

The VICE-PRESIDENT. Does the Senator from Mississippi yield to the Senator from Georgia?

Mr. McLAURIN. Yes.

Mr. BACON. I was extremely unfortunate if the Senator did not understand what I had said that I understood to have been stated by the Senator from Wyoming.

Mr. McLAURIN. I understood what the Senator said.

Mr. BACON. The Senator will pardon me. The statement was that we were going to do exactly what the Senator from Mississippi, with so much earnestness, says we should do. We will not do it now, but we will do it when it comes to the Army appropriation bill, when all of these details have to be attended to. The fact that those men are not specified in this bill does not in any manner militate against the principle for which the Senator from Mississippi contends, because the matter is not to be left to any executive officer. It is to be attended to when the appropriation bill comes before us, where it will be stated in detail how much a sergeant shall receive, how much a corporal shall receive, how much a private soldier shall receive, and, if necessary, how much an electrician shall receive. Under the statement made by the Senator from Wyoming nothing is to be left to an executive officer. Everything that the Senator so earnestly desires is, as we understand, to be attended to when the bill comes before us for the final appropriation of the money.

This bill enables the appropriation bill to make that provision, and without this bill it could not be done in the appropriation bill. That is the sole object of the passage of this bill now—to pave the way for the adding in the appropriation bill of the very thing the Senator from Mississippi wants done and insists shall be done.

Mr. McLAURIN. That is always the case—put the private soldier off to another day.

Mr. BACON. No. Under this bill both the private soldier and the officer will have to wait until the appropriation bill is passed. There is no distinction made as to either one of them in that regard.

Mr. McLAURIN. If this bill should name the per cent of increase for the enlisted man and the noncommissioned officer and the electrician—to put them all, if you please, upon the footing of the enlisted man—if it should name what per cent of increase the electrician shall have, what the noncommissioned officer shall have, and then what the other enlisted men shall have, it would be just as easy then for the appropriation bill to fix the amount necessary to defray the expenses of the Army; but when it comes to the private soldier, he must be put off until the appropriation bill comes up, and then probably he will be put off again. In other words, never do to-day what you can put off until to-morrow would seem to be the principle upon which this matter proceeds.

Mr. President, it is easy enough to fix the per cent that is to be given as an increase to each one of these classes of enlisted men. I am not sufficiently informed in military affairs to know whether a noncommissioned officer is considered an enlisted man or not; but I suppose from the statements made here to-day that he is regarded as an enlisted man.

Mr. GALLINGER. I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate adjourned until to-morrow, Thursday, March 5, 1908, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, March 4, 1908.

The House met at 12 o'clock noon.

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

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

RELIEF OF ALASKA PACIFIC RAILWAY AND TERMINAL COMPANY.

Mr. HAMILTON of Michigan. Mr. Speaker, I ask unanimous consent for the present consideration of the following bill, which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

An act (S. 4351) for the relief of the Alaska Pacific Railway and Terminal Company.

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

First. The time to file the map and profile of definite location of its second section of at least 20 miles with the register of the land office in the district of Alaska, as provided in said sections 4 and 5, is hereby extended to and including the 18th day of March, 1909.

Second. The time to complete the first section of at least 20 miles of its railroad, as provided in said section 5, is hereby extended to and including the 18th day of March, 1909, and such railroad company shall be entitled to all the benefits conferred upon it by the provisions of such act upon its due compliance with all the provisions thereof, excepting only the provisions thereof relating to the filing of the map and profile of definite location of its second section of not less than 20 miles of its road: *Provided*, That it shall have, successively, one year each after said 18th day of March, 1909, in which to file the map and profile of its definite location of the succeeding sections of not less than 20 miles each: *And provided further*, That it shall have five years in which to complete its entire line.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, this bill was reported yesterday and nobody has had an opportunity to look at it. Representations have been made as to the great emergency of the matter. It is not the fault of the House that the bill was not reported sooner, and until we can have an opportunity to see it I object.

The SPEAKER. Objection is heard.

Later—

Mr. HAMILTON of Michigan. Mr. Speaker, I now renew my request for unanimous consent.

The SPEAKER. The gentleman from Michigan renews his request for unanimous consent in order to consider the bill which was reported a few minutes ago. Is there objection? [After a pause.] The Chair hears none.

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

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

BRIDGE ACROSS TIDE WATERS ON EAST SIDE OF SHEEPSHOT RIVER, MAINE.

Mr. LITTLEFIELD. Mr. Speaker, I ask unanimous consent for the present consideration of the bill H. R. 16073.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 16073) to authorize the town of Edgcomb, Lincoln County, Me., to maintain a free bridge across tide waters.

Be it enacted, etc., That the town of Edgcomb, in the county of Lincoln and State of Maine, is hereby authorized to maintain a free bridge in the manner and according to the plans thereof which have been heretofore approved by the Secretary of War, and with all the rights to build, rebuild, and maintain the same which would have existed if the same had been regularly authorized prior to its construction, said bridge extending across a cove on the easterly side of Sheepscot River in said Edgcomb between upland belonging to John P. Chase, formerly belonging to Norris & Gay, and upland belonging to Caroline P. Trask; the same to be maintained as part of the town road laid out by the selectmen of the town of Edgcomb May 4, 1903, and accepted by said town May 13, 1903.

The amendment was read, as follows:

SEC. 2. That the right to amend or repeal this act is expressly reserved.

The SPEAKER. This bill was read yesterday. Is there objection? [After a pause.] The Chair hears none.

The amendment was agreed to.

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

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

AMENDING SECTION 4896, REVISED STATUTES.

Mr. SULZER. Mr. Speaker, I ask unanimous consent for the present consideration of the following bill, which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 15841) to amend section 4896 of the Revised Statutes.

Be it enacted, etc., That section 4896 of the Revised Statutes is hereby amended by inserting after the words "in his lifetime" the words "and when any person having made any new invention or discovery for which a patent might have been granted becomes insane before a patent is granted, the right of applying for and obtaining the patent shall devolve upon his legally appointed guardian, conservator, or representative in trust for his estate, in as full manner and on the same terms and conditions as the same might have been claimed or enjoyed by him while sane;" and by inserting at the end of said section the following words: "The foregoing section, as to insane persons, is to cover all applications now on file in the Patent Office or which may be hereafter made," so that the same section as amended will read as follows:

"Sec. 4896. When any person, having made any new invention or discovery for which a patent might have been granted, dies before a patent is granted, the right of applying for and obtaining the patent shall devolve on his executor or administrator, in trust for the heirs at law of the deceased, in case he shall have died intestate; or if he shall have left a will disposing of the same, then in trust for his devisees in as full manner and on the same terms and conditions as the same might have been claimed or enjoyed by him while sane; and when any person having made any new invention or discovery for which a patent might have been granted becomes insane before a patent is granted, the right of applying for and obtaining the patent shall devolve on his legally appointed guardian, conservator, or representative in trust for his estate, in as full manner and on the same terms and conditions as the same might have been claimed or enjoyed by him while sane; and when the application is made by such legal representatives, the oath or affirmation required to be made shall be so varied in form that it can be made by them. The executor or administrator duly authorized under the law of any foreign country to administer upon the estate of the deceased inventor shall, in case the said inventor was not domiciled in the United States at the time of his death, have the right to apply for and obtain the patent. The authority of such foreign executor or administrator shall be proved by certificate of a diplomatic or consular officer of the United States.

"The foregoing section, as to insane persons, is to cover all applications now on file in the Patent Office or which may be hereafter made."

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

Mr. SULZER. Mr. Speaker, just a few words in regard to this bill. The object of the bill is to correct a palpable error in the existing statute, which occurred when it was last amended. On February 28, 1899, section 4896 was amended by inserting therein the provision that when an inventor became insane his legally appointed guardian, conservator, or representative in trust for his estate would have the right of applying for and obtaining a patent. This statute was again amended by the act approved March 3, 1903, by adding thereto the following provision:

The executor or administrator duly authorized under the law of any foreign country to administer upon the estate of the deceased inventor shall, in case the said inventor was not domiciled in the United States at the time of his death, have the right to apply for and obtain the patent. The authority of such foreign executor or administrator shall be proved by a certificate of a diplomatic or consular officer of the United States.

But in that act, after the provision for the amendment, it was stated—

"4896. When any person, having made any new invention or discovery for which a patent might have been granted, dies before a patent is granted, the right of applying for and obtaining the patent shall devolve on his executor or administrator, in trust for the heirs at law of the deceased, in case he shall have died intestate; or if he shall have left a will disposing of the same, then in trust for his devisees, in as full manner and on the same terms and conditions as the same might have been claimed or enjoyed by him in his lifetime; and when the application is made by such legal representatives, the oath or affirmation required to be made shall be so varied in form that it can be made by them. The executor or administrator duly authorized under the law of any foreign country to administer upon the estate of the deceased inventor shall, in case the said inventor was not domiciled in the United States at the time of his death, have the right to apply for and obtain the patent. The authority of such foreign executor or administrator shall be proved by certificate of a diplomatic or consular officer of the United States."

thus leaving from the statute the provision as to the guardian for the insane inventor which was inserted in the act of February 28, 1899. The purpose of the present amendment is to make the law clear on the point that an application for a patent of an inventor who has become insane may be made by his legal representative, there having been many cases where, through the lack of such a provision in the statute, inventions have been lost, to the great damage of the inventor and his family.

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

Mr. SULZER. Mr. Speaker, I move to reconsider and lay that motion on the table.

The SPEAKER. There being no objection, it is so ordered.

INDIAN APPROPRIATION BILL.

Mr. SHERMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Indian appropriation bill, to nonconcur in the Senate amendments, and ask for a conference thereon with the Senate.

The SPEAKER. The gentleman from New York asks unanimous consent to take from the Speaker's table the Indian appropriation bill with Senate amendments, to disagree to the same, and ask for a conference. Is there objection. [After a pause.] The Chair hears none. The Chair announces the following conferees:

The Clerk read as follows:

Mr. SHERMAN of New York, Mr. MARSHALL, and Mr. STEPHENS of Texas.

MESSAGE FROM THE SENATE.

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

S. 1073. An act to authorize the extension and enlargement of the post-office building in the city of Beatrice, Nebr.;

S. 4469. An act for the erection of a memorial to John Wesley Powell;

S. 2317. An act for the erection of a public building at Appleton, Wis.;

S. 5709. An act for extending, repairing, and improving the public building at Fort Dodge, Iowa;

S. 4832. An act to provide for the erection of a public building at Ottumwa, Iowa;

S. 4833. An act to provide for the erection of a public building at Le Mars, Iowa;

S. 3848. An act for the relief of James A. Russell;

S. 1751. An act to reimburse Anna B. Moore, late postmaster at Rhyolite, Nev., for money expended for clerical assistance;

S. 1752. An act to reimburse Garrett R. Bradley, late postmaster at Tonopah, Nev., for money expended for clerical assistance;

S. 5341. An act to authorize the enlargement, improvement, and equipment of the light-house depot at Yerba Buena Island, Cal.;

S. 4196. An act to provide for the enlargement and improvement of the public building at Elgin, Ill.;

S. 4801. An act granting certain lands in the Wind River Reservation, in Wyoming, to the Protestant Episcopal Church;

S. 33. An act to provide a public park on Georgetown Heights, in the District of Columbia;

S. 213. An act for the relief of S. R. Green;

S. 4916. An act authorizing the Secretary of the Interior to issue patent in fee to the Board of Missions of the Protestant Episcopal Church for certain lands situated in the State of Idaho;

S. 5349. An act for the relief of Madison County, Ky.;

S. R. 24. Joint resolution directing the Interstate Commerce Commission to investigate and report on facing point switches and the appliances for the automatic control of such switches;

S. 4118. An act in relation to business streets in the District of Columbia;

S. 31. An act authorizing the extension of Oak street NW.;

S. 2995. An act to provide for the extension of Kenyon street from Seventeenth street to Mount Pleasant street, and for the extension of Seventeenth street from Kenyon street to Irving street, in the District of Columbia, and for other purposes.

S. 1574. An act to create the Calaveras Big Tree National Forest, and for other purposes;

S. 5253. An act to establish a fish-cultural station in the State of Wisconsin;

S. 2948. An act to provide additional station grounds and terminal facilities for the Arizona and California Railway Company in the Colorado River Indian Reservation, Ariz.;

S. 3202. An act to authorize patents to Santee Indians;

S. 650. An act to extend the special leave privileges authorized for officers of the Military Academy by section 1330, Revised Statutes, to certain instructors and student officers at service schools;

S. 4549. An act to authorize the Secretary of the Interior to issue patent in fee simple for certain lands of the Santee Reservation, in Nebraska, to the directors of school district No. 36, in Knox County, Nebr.;

S. 212. An act to reimburse S. R. Green, postmaster of Oregon City, Oreg., for moneys lost by burglary;

S. 1204. An act for the relief of J. M. Bloom; and

S. 5212. An act to authorize the Secretary of the Interior to convey by fee-simple patent certain lands in the Otoe and Missouri Reservation, Okla., to the Society of Friends.

The message also announced that the Senate had passed with amendment a bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 598. An act granting an increase of pension to William Poor.

DESIGN FOR A STATUE OF THE LATE COMMODORE JOHN D. SLOAT AT MONTEREY, CAL.

Mr. NEEDHAM. Mr. Speaker, I ask unanimous consent for the present consideration of House joint resolution 101.

The SPEAKER. The Clerk will report the same.

The Clerk read as follows:

Joint resolution 101, authorizing the Secretary of War to secure a suitable design for a statue of the late Commodore John D. Sloat at Monterey, Cal.

Resolved, etc., That the Secretary of War be, and he is hereby, authorized and directed to use, for the purpose of securing a suitable design for a statue of the late Commodore John D. Sloat, so much as may be necessary of the amount appropriated by the act of March 4, 1907, entitled "An act to aid in the completion of a monument at Monterey, Cal., to commemorate the taking possession of the Pacific coast by Commodore John D. Sloat, United States Navy."

The amendment was read, as follows:

Provided, That the total amount used for securing said design shall not exceed \$1,000.

The SPEAKER. The request is to discharge the Committee of the Whole House on the state of the Union from the further consideration of the joint resolution and consider it in the House. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, there are a lot of these bills in reference to building monuments or something of the sort, caring for various homes, etc. Is it the expectation to call them up one at a time?

Mr. NEEDHAM. Mr. Speaker, I will say to the gentleman this is not a new bill. Congress at the last session passed a bill appropriating \$10,000 to build a monument at Monterey to commemorate the taking possession of the Pacific coast by Commodore Sloat. The War Department held that it could not use any portion of this \$10,000 to obtain a design.

This is a joint resolution authorizing the use of not to exceed \$1,000 of the appropriation heretofore made for that purpose. It makes no further appropriation. It simply construes the act.

Mr. MANN. When you pay \$1,000 for a design where \$10,000 has been appropriated, does it not involve a considerable appropriation hereafter?

Mr. NEEDHAM. I think not.

Mr. MANN. Is it not the intention of the gentleman or some of his colleagues to ask for additional appropriation for this monument?

Mr. NEEDHAM. I will say to the gentleman that it is not.

Mr. MANN. I have no objection.

The SPEAKER. The Chair hears no objection.

The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to. The joint resolution as amended was ordered to be engrossed and read a third time; and being engrossed, was read a third time and passed.

On motion of Mr. NEEDHAM, a motion to reconsider the vote by which the joint resolution was agreed to was laid on the table.

DAM ACROSS RAINY RIVER.

Mr. BEDE. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 15444) extending the time for the construction of the dam across Rainy River.

The SPEAKER. The gentleman from Minnesota [Mr. BEDE] asks unanimous consent for the present consideration of the bill which the Clerk will report.

The Clerk read as follows:

Be it enacted, etc., That the time for the construction of a dam across Rainy River for the Koochiching Company, its successors and assigns, or for the Rainy River Improvement Company, under chapter 238 of volume 30 of the Statutes at Large, as modified by chapter 1305 of volume 32 of the Statutes at Large and chapter 797 of volume 33 of the Statutes at Large, is hereby extended to July 1, 1912, subject to the provisions of the acts aforesaid.

Also the following amendment was read:

Strike out all after the enacting clause and insert the following: "That the Rainy River Improvement Company, a corporation organized under the laws of the State of Minnesota as the successor to the rights and privileges heretofore granted to the Koochiching Company under the following acts of Congress, namely, chapter 238, of volume 30, Statutes at Large, entitled, 'An act permitting the building of a dam across Rainy River,' approved May 4, 1898, and of chapter 797, of volume 33, Statutes at Large, entitled 'An act relating to a dam across Rainy River,' approved February 25, 1905, and of the various acts and provisions therein recited, is hereby authorized to construct and maintain a dam across Rainy River, Minnesota, at the place designated in said acts, subject to the provisions of the act entitled 'An act to regulate the construction of dams across navigable waters,' approved June 21, 1906, so far as the same shall be applicable thereto, provided said dam shall be commenced within one year from the date of the passage of this act and completed on or before July 1, 1911."

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The question is on agreeing to the amendment.

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

On motion of Mr. BEDE, a motion to reconsider the vote by which the bill was passed was laid upon the table.

ALIEN CRIMINALS.

Mr. BENNET of New York. Mr. Speaker, I ask unanimous consent to print in the RECORD newspaper articles as to alien criminals in New York and Chicago.

The SPEAKER. The gentleman from New York asks unanimous consent to print in the RECORD certain newspaper articles as to alien criminals in New York and Chicago. Is there objection?

Mr. PAYNE. Mr. Speaker, reserving the right to object, I will ask the gentleman if they are to be taken in connection with the debate the other day when the bill was before the House?

Mr. BENNET of New York. Yes, sir.

Mr. PAYNE. I have no objection.

Mr. CLARK of Missouri. What is the bill?

Mr. BENNET of New York. It is in connection with the debate the other day on the bill for the deportation of criminals, when the House refused at that time to suspend the rules.

Mr. CLARK of Missouri. Now, is this that same bill?

Mr. BENNET of New York. This is asking for the printing of certain newspaper extracts in the RECORD.

The SPEAKER. It is a request for unanimous consent to print certain newspaper extracts.

Mr. CLARK of Missouri. I have no objection to any newspaper article of any sort whatever.

The newspaper extracts are as follows:

[Washington Post, March 3, 1908.]

CHIEF KILLS RED WHO STABS HIM—ANARCHIST PLOT WIDESPREAD, CHICAGO POLICE BELIEVE—MAYOR BUSSE IS GUARDED—ATTEMPT TO ASSASSINATE HIM LAST WEEK KEPT SECRET—DESPERATE FIGHT AT HOME—YOUNG REFUGEE FROM KISHINEFF, WHOSE REVOLUTIONARY IDEAS WERE STIRRED BY CLUBBING OF UNEMPLOYED PARADERS, ATTACKS HEAD OF CITY'S POLICE, AND WOUNDS HIS SON AND HIS COACHMAN—"I SHOT TO KILL," SAYS SHIPPY, DESCRIBING FIGHT FOR LIFE—RAIDS ON ANARCHIST CENTERS AND ON DEAD MAN'S HOME REVEAL MUCH ANARCHISTIC LITERATURE—SISTER IDENTIFIES FERRONOT'S BODY.

CHICAGO, March 2, 1908.

Chief of Police George M. Shippy, attacked in his home, 31 Lincoln place, early to-day by Lazarus Averbuch, a Russian student, shot and killed the latter, but not until his assailant had stabbed the chief in the arm, had shot and seriously wounded Harry Shippy, a son, and had wounded James Foley, a member of the police department, detailed as driver for Chief Shippy.

The younger Shippy, who was believed at first to have been mortally injured by a bullet wound through the lung, was said at a late hour to-night to have a good chance of recovery. Neither of the other men was seriously hurt.

TRIED TO KILL MAYOR.

It became known to-night that the reds had made a desperate attempt to take the life of Fred A. Busse, mayor of Chicago, last Friday.

The attempt to kill the mayor was hushed up by the police. Two picked men of the detective department stood guard at the mayor's home, 331 Sedgewick street, to-night, one at the back door and one at the entrance. This vigil continued all night long.

The identity of the assassin, who was killed by a shot through the head, was learned late to-night from his sister, Olga, with whom he had lived for three weeks at the home of Mrs. Harry Pine, 218 Washburne avenue, in the western portion of the city.

Averbuch had been in America only three months, having come direct from Austria, whither he fled from Kishineff two years ago to escape the persecution of the Jews in that city. Through information received from the sister and from a fellow-employee in a produce commission house, where Averbuch had recently been employed, the police were able to trace Averbuch's movements and learn the views he held.

BECAUSE HE STOPPED PARADE.

It was learned that Chief Shippy's interference several weeks ago with a parade of unemployed men, headed by "Dr." Ben L. Reitman, coupled with the more recent announcement that Emma Goldman will not be allowed to speak in public in Chicago, led Averbuch to attempt to "remove" the police head in Russian "terrorist" fashion.

Averbuch's attempts upon Shippy's life to-day followed the fourth effort he had made to get at the chief. Twice on Sunday Averbuch called at Shippy's house, but was unsuccessful in finding his intended victim at home. At 7 o'clock this morning Averbuch made his third appearance, but was informed by a servant that the chief was not ready to receive callers. When Averbuch returned, at 9 o'clock, Chief Shippy was on the point of leaving for his office in the city hall. When admitted at the front door by Shippy himself, Averbuch handed the chief an envelope bearing his name and address, but the chief, having heard of the previous visits to his home, suspected that something was wrong and seized him by the arms.

The envelope, which was found later to be only a ruse to gain entrance to the house, contained only a blank sheet of paper. The quickness with which the chief acted upon his suspicion doubtless saved his life.

FOUGHT DESPERATELY.

Averbuch, though slight in build, proved in his desperation almost a match for the chief, who is much larger, and the latter found himself unable to hold his assailant and search him for weapons at the same time. He therefore called to his wife, who was in the next room, asking her to ascertain whether the man had a weapon in his pockets. Mrs. Shippy discovered a revolver in Averbuch's hip pocket, but before she could remove it he struggled loose from the grasp of the chief

and, drawing a long knife, stabbed Shippy in the arm. Thereupon Chief Shippy grappled again with his assailant, who drew a revolver. At that moment Harry Shippy, 18 years old, came rushing down the stairway to his father's aid. Averbuch fired two shots, one of which struck young Shippy, and he fell, seriously wounded by a bullet that pierced his left breast above the heart. Before he could fire again, James Foley, the chief's driver, attracted by the struggle, ran to the door and seized Averbuch. The assassin struggled loose from Foley's embrace and fired a shot which pierced Foley's hand. Then Shippy shot Averbuch in the head, and as the Russian fell dead Shippy and Foley emptied their revolvers into the body as it lay at their feet.

As the man lay dying Shippy bent over him and asked him his name and why he wanted to murder him. The stranger looked into the eyes of the chief, perfectly conscious and calm, but he would not speak.

CHIEF SHIPPY'S STORY.

Later, while Chief Shippy sat at his son's bedside in the hospital, he dictated a statement, in which he said:

"I had a premonition of this, and the attack on me came as no surprise. Therefore I have been on guard. The first I knew was the ringing at the door about 9 o'clock. I answered in person and saw standing there a man, who was evidently a Sicilian or an Armenian. He was about 26 years old. He said:

"Is Chief Shippy in? I have an important letter for him." With that he took out of his pocket an envelope addressed to George M. Shippy, superintendent of police, city hall, Chicago, or residence, 31 Lincoln place. I looked at the man, and instead of taking the letter I grasped his arm. With that he struggled. My wife, who had been attracted by the noise of the struggle, started downstairs. I felt the man and called to her. 'See if that man has a gun in his pocket.' My wife ran down and while I held him she placed her hands in his right overcoat pocket and got hold of a gun. She said: 'Yes, George; he has.'

"I said: 'For God's sake hold it.'
"I then grappled with the man and threw him over the telephone stand at the entrance. He released his hand from my grasp, and while my wife still held the gun, he pulled a knife from inside of his overcoat, a knife such as I never saw before. He cut across my right arm and got me. Then I fired at him. Then Foley fired. About this time my boy, Harry, started down stairs after his mother. He cried: 'Papa, I will help you.' Then I heard a shot entirely different from my gun and Foley's gun. I saw my wife was not able to keep up the unequal struggle.

"THEN I SHOT TO KILL."

"The assassin had wrenched the gun away from her. Then, as my boy grappled with him, he shot Harry just above the heart. I saw Harry fall to the stairs, and as he did so he cried: 'Papa, I'm shot; I can't help you any more.' Then I shot to kill. I had only shot to disable before, but when my boy cried that he had been shot, I shot to kill. I put one bullet through that fellow's head and another through his heart. Afterwards I found out that the fellow had fired a shot earlier than the one that had hit my boy. The second shot fired by him went through Foley's right hand, causing him to drop his revolver."

ANARCHISM RIFE IN CHICAGO.

To-day's attack gave significance to a statement made by Chief Shippy a month ago, when he commented on a report made to him by one of his subordinates of an 'anarchists' meeting held after the assassination of the King and Crown Prince of Portugal.

"Never in the history of Chicago," said Chief Shippy, "have anarchists and other enemies of law and order been more dangerous than they are at the present time. The police are watching all of their movements closely. You never know when they are going to break out."

Chief Shippy to-night declared that efforts to extirpate anarchists in Chicago would be prosecuted with greater vigor than ever before. "As long as I am chief of police," he said, "there never again shall be another parade of anarchists in Chicago."

BELIEVE THERE WAS A PLOT.

The attack is believed to have been the result of a conspiracy to harm officials who have been active in suppressing manifestations of anarchism in this community. Other city officials are said to have been threatened, and a police spy who recognized the dead man as a person who regularly attended anarchist meetings asserted that the man was chosen by lot to do away with not only the chief of police, but Mayor Busse as well.

The ramifications of the plot are said to extend to other cities, and to be closely connected with the killing of the Rev. Leo Heinrichs, a Roman Catholic priest, who was shot down at the altar of his church in Denver.

Following the attack, squads of police were sent into the Italian and Ghetto quarters of the city.

In a pocket of the man's coat was a small box of lozenges bearing the label of the Trowbridge Confectionery Company, Meadville, Pa. The lozenges were sent to a chemist for analysis, the police having the idea that they might contain poison. It is thought that it was the intention of the anarchist to commit suicide if arrested.

The police are firm in the belief that the attack on their chief was due to an anarchistic plot. Theories that the man may have had a personal grievance against Shippy because of an arrest or some similar affair were given up when detectives of the department failed to recognize the body as that of any known criminal. Two members of the force asserted that they had seen the man at a meeting of anarchists about ten days ago. The testimony of the police spy confirmed this view of the case.

RAID ANARCHIST LIBRARY.

One of the first places raided by the police after the shooting was the headquarters of a society known as "The Edelstadt Group," at 427 Union street. Pictures of John Most and other anarchists were confiscated, as were also a thousand handbills announcing a series of meetings at which Emma Goldman was scheduled to speak. One of these meetings was announced for March 6, and the other for March 9. A library a short distance away was also invaded by the police and several hundred volumes and pamphlets dealing with anarchism and kindred subjects were seized.

This library was raided after President William McKinley was shot at Buffalo. At the time many volumes were seized by the police and destroyed.

The attack on the chief is believed to have been inspired by the recent activity of the Chicago police following the killing of Rev. Leo Heinrichs, a Roman Catholic monk, who was shot by an anarchist in Denver while he was administering the sacrament.

ACTIVE AGAINST ANARCHISM.

Immediately following the tragedy in Denver attempts to trace the crime to a conspiracy hatched in Chicago were begun. The local police discovered that the society of Italians formed here had been issuing inflammatory literature aimed at clericals, and also that several local clergymen had received threatening letters. Yesterday while the funeral of Father Leo was being held in Paterson, N. J., details of police guarded several of the Roman Catholic churches here. Especial precautions were taken in the Italian quarter, where policemen in citizens' clothes scrutinized every worshiper as the congregations entered. Later the officers moved to the altars and stood guard over the priests as they conducted the services.

In addition to these measures, all known anarchists in the city, among them Emma Goldman, were warned that they would not be allowed to make addresses in public. So far as is known none attempted to disobey this order, and no arrests were made of followers of the cult. The documents sent out by the Italian organization were carefully worded and an examination of them showed that prosecutions based thereon might have failed because of technical shortcomings.

GAVE MAYOR A SCARE.

Mayor Busse had an exciting interview with an office-seeker a few minutes after the executive had returned to his office from the Shippy home, whither he had gone on being informed of the affray. The stranger, who was shabbily dressed, was waiting outside the mayor's office in the city hall, and as the mayor advanced extended his hand. The mayor, who was pale and nervous after the experience of his chief of police, declined the grasp and eyed the man closely.

"I want a job, and I am not here to ask you for anything more. But if I don't get a job there will be trouble," said the man.

The mayor immediately ordered the man out of the building, and the latter, after gazing angrily at him for a moment, descended to the main floor and walked away.

Mayor Busse explained later that this person had been calling on him and asking for a position every day for some time. To-day, however, was the first time the man had threatened to create trouble. The incident following so closely upon the tragedy at Chief Shippy's home, caused some excitement in the city hall, and several heads of departments issued orders to their clerks and secretaries to admit no stranger to their offices on any pretext.

It is said that Mayor Busse will issue an order prohibiting all street meetings. The order will be made general and include religious as well as political gatherings, it being asserted that inflammatory speeches are often made at gatherings held on street corners under the guise of revival meetings. By making the edict sweeping it is thought that objections to it on the ground of discrimination will be forestalled.

GRAND JURY TO ACT.

A sweeping investigation of the anarchist movement in Chicago by the March grand jury, which was impaneled to-day, will be undertaken, according to State's Attorney Healy.

"The investigation will not stop with the dupes who undertake assassinations, but will go back to the instigators," said Mr. Healy. "We shall follow the precedent established at the time of the Haymarket riots. There is no specific statute on the subject of anarchy in Illinois, but if it can be shown that the attempt to kill was the result of an agreement, the conspiracy statute will apply. Instigators can also be held as principals."

CROWD AT MONK'S FUNERAL—THOUSANDS SEE BURIAL OF FATHER LEO, ANARCHIST'S VICTIM.

PATERSON, N. J., March 2, 1908.

An immense throng attended the funeral to-day at St. Bonaventure's Church, this city, of its former pastor, Father Leo Heinrich, who was assassinated in St. Elizabeth's Church, Denver, Sunday morning, a week ago.

Thousands of men and women who were unable to enter the church stood for two hours in the rain, until they saw the casket containing the body of the dead priest carried from the church.

Mass was celebrated by Rev. Father Edward Bleckee, provincial of the Franciscan order, assisted by priests who were classmates of Father Heinrich. Bishop John J. O'Connor was present. The eulogy was delivered by Dean McNulty, pastor of St. John's Church, a warm friend of the dead priest. He said that the lesson to be learned from the murder is that "our societies ought to labor to counteract the evil lessons taught by the anarchists and socialists. Instead of dinners and euchers and games, let us have lectures on moral and social topics. Let us be able to answer and to convert the wild agitators."

Many societies formed in procession, which followed the body to the Cemetery of the Holy Sepulchre, where 100 priests chanted the office of burial.

PROPAGANDA FROM CHICAGO—ANARCHIST PAPER PRINTED THERE CIRCULATED IN KANSAS CITY.

KANSAS CITY, MO., March 2, 1908.

Anarchist leaders in Chicago are apparently attempting to extend their influence in this city. During the past few weeks members of the Croatian settlement in Kansas City, Kans., have received by mail copies of a Croatian anarchistic paper published in Chicago. Many of those who received copies of the paper formerly worked in the Chicago packing houses and were transferred to Kansas City. They all declared that they did not order the paper.

The publication contains articles attacking the Catholic Church and all forms of government.

The Rev. M. Dovorin Kremptotic, pastor of the Church of St. John the Baptist, of which the Croatians are members, said yesterday:

"There have been some attempts of the anarchists to work in my parish. They have met with little success, however, and have caused me no trouble."

EMMA GOLDMAN'S COMMENT—"THEY ALWAYS SAY 'ANARCHIST' WHEN SOMEBODY SHOOT'S."

SPRINGFIELD, MO., March 2, 1908.

Emma Goldman, anarchist lecturer, arrived to-night from St. Louis, and, hearing of the attack on Chief of Police Shippy, of Chicago, said:

"Of course the man had to be an anarchist if he tried to kill anybody. Somebody kills somebody else, or tries to shoot him, and the world, the officers, and the newspapers cry 'Anarchist!'"

"The dispatches say the dead man is unidentified, and yet the officers call him an anarchist."

"I know nothing whatever about the affair, but I would be willing to guarantee that the man was not an anarchist, but some fanatic or somebody with a private grudge against Shippy."

Emma Goldman lectured to-night in spite of Mayor Blaine's effort to prevent the meeting, the city attorney advising him that under the law he could not interfere.

[Washington Post, March 4, 1908.]

HUNT OUT ALL REDS—SECRETARY STRAUS ORDERS WAR AGAINST ANARCHISTS—DRIVE THEM FROM LAND—LAW GIVES HIM POWER TO DEPORT FOES OF GOVERNMENT—IMMIGRANT INSPECTORS AND COMMISSIONERS INSTRUCTED TO CONFER WITH POLICE AND OBTAIN EVIDENCE UPON WHICH THESE UNDESIRABLES, AS WELL AS ALIEN CRIMINALS, MAY BE SENT TO THEIR NATIVE COUNTRIES—STATUTE LIMITS ACTION—WAR ON ANARCHISTS.

Secretary Straus orders immigration officials to consult the police in their jurisdictions and take measures for deportation of avowed anarchists and convict aliens.

Chicago police arrest several suspects in connection with the attempt to kill Chief Shippy. Mayor and Federal officials confer on ridding that city of advocates of violence.

Conference between Immigration Commissioner Watchorn and Police Commissioner Bingham, of New York, to be held there to-day.

Police in other cities active in hunting out haunts of the anarchist groups.

Murderer of Father Leo, at Denver, pronounced sane.

Secretary Straus, of the Department of Commerce and Labor, yesterday issued a sweeping order to all commissioners of immigration and immigrant inspectors in charge directing them to confer with the police in their respective jurisdictions with a view to "securing the cooperation of the police and detective forces in an effort to rid the country of alien anarchists and criminals falling within the law relating to deportation."

Commissioner Watchorn, at New York, will confer with Police Commissioner Bingham to-day. The Chicago authorities, roused by the attack on Chief of Police Shippy, are acting vigorously. The police of Pittsburg and several other cities had begun to proceed along the lines of Commissioner Straus's order before it was issued. The order follows:

To all commissioners of immigration and immigrant inspectors in charge:

It is hereby directed that, with a view to promptly obtaining definite information with regard to alien anarchists and criminals located in the United States, you shall confer fully with the chief of police or the chief of the secret service of the city in which you are located, furnishing such official with detailed information with regard to the meaning of the term "anarchist" as used in the immigration act of February 20, 1907, and with regard to the inhibition of that statute against aliens of the criminal classes, explaining the powers and limitations imposed by said statute upon the immigration officials with respect to such persons.

POWER TO DEPORT.

You should call to the attention of the chief of police or chief of the secret service the definition of the chief of police or chief of sections 2 and 38 of the act of February 20, 1907, and the provisions of section 2, placing within the excluded classes "persons who have been convicted of or admit having committed a felony or other crime or misdemeanor involving moral turpitude," pointing out that if any such person is found within the United States within three years after landing or entry therein he is amenable to deportation under the provisions of section 21 of said act.

The cooperation of said officials should be requested, making it clear that in order that any particular anarchist or criminal may be deported evidence must be furnished showing (1) that the person in question is an alien, subject to the immigration acts; (2) that he is an anarchist or criminal as defined in the statute; (3) the date of his arrival in the United States, which must be within three years of the date of his arrest; (4) the name of the vessel or of the transportation line by which he came, if possible, and (5) the name of the country whence he came, the details with respect to the last three items being kept at the various ports of entry in such a manner as to be available if information is furnished with respect to the anarchist's name, the date of his arrival, and the port of entry.

It is desired that the above-indicated steps shall be taken at once and that no proper effort shall be spared to secure and retain the cooperation of the local police and detective forces in an effort to rid the country of alien anarchists and criminals falling within the provisions of the statute relating to deportation.

THE EXCLUDED CLASSES.

Section 2 of the immigration act reads as follows:

"That the following classes of aliens shall be excluded from admission into the United States: Persons who have been convicted of or admit having committed a felony or other crime or misdemeanor involving moral turpitude; polygamists, or persons who admit their belief in the practice of polygamy; anarchists, or persons who believe in or advocate the overthrow by force or violence of the Government of the United States, or of all government, or of all forms of law, or the assassination of public officials."

Section 30 of the immigration act, referred to in Mr. Straus's order, reads as follows:

"That no person who disbelieves in or who is opposed to all organized government, or who is a member of or affiliated with any organization entertaining and teaching such disbelief in or opposition to all organized government, or who advocates or teaches the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers, either of specific individuals or of officers generally, of the Government of the United States or of any other organized government, because of his or their official character, shall be permitted to enter the United States or any territory or place subject to the jurisdiction thereof. This section shall be enforced by the Secretary of Commerce and Labor under such rules and regulations as he shall prescribe.

"That any person who knowingly aids or assists any such person to enter the United States or any Territory or place subject to the jurisdiction thereof, or who connives or conspires with any person or persons to allow, procure, or permit any such person to enter therein, except pursuant to such rules and regulations made by the Secretary of Commerce and Labor, shall be fined not more than \$5,000 or imprisoned for not more than five years, or both."

THREE YEARS' LIMIT.

Section 21 of the act of February 20, 1907, referred to, is as follows: "That in case the Secretary of Commerce and Labor shall be satisfied that an alien has been found in the United States in violation of this act, or that an alien is subject to deportation under the provisions of this act or of any law of the United States, he shall cause such alien within the period of three years after landing or entry therein to be taken into custody and returned to the country whence he came, as provided by section 20 of this act, and a failure or refusal on the part of the masters, agents, owners, or consignees of vessels to comply with the order of the Secretary of Commerce and Labor to take on board, guard safely, and return to the country whence he came any alien ordered to be deported under the provisions of this act shall be punished by the imposition of the penalties prescribed in section 19 of this act: *Provided*, That when, in the opinion of the Secretary of Commerce and Labor, the mental or physical condition of such alien is such as to require personal care and attendance, he may employ a suitable person for that purpose, who shall accompany such alien to his or her final destination, and the expense incident to such service shall be defrayed in a like manner."

WAS ANARCHIST TOOL—CHICAGO POLICE FIND AVERBUCH ACTED UNDER ORDERS—MAYOR BUSSE "SENTENCED"—YOUNG MAN WHOM CHIEF OF POLICE KILLED ATTENDED MEETINGS OF REDS WHEN HE WAS SUPPOSED TO BE GOING TO NIGHT SCHOOL—CONTEMPLATED SUICIDE AFTER HE HAD BEEN CHOSEN TO EXECUTE DECREE.

CHICAGO, March 3, 1908.

That Lazarus Averbuch, in attempting to assassinate Chief of Police Shippy, carried out a commission entrusted to him by a group of Chicago anarchists was declared by Assistant Chief of Police Schuettler to-night to have been proved beyond a doubt. The discovery was made to-night just as the police were about to accept the theory that the young anarchist acted upon his own impulse and that the attempt was not the result of conspiracy.

The group of anarchists also plotted, according to information in the hands of the authorities, to assassinate Mayor A. B. Busse and Capt. P. D. O'Brien, of the detective bureau. The principals in the plot have not yet been discovered, but it was said that Averbuch was picked to execute the order of death at a meeting of anarchists which he attended last Thursday night.

It was on that night, upon his return to the home of his sister, Olga Averbuch, 218 Washburne avenue, that the young Russian contemplated suicide, as described by her to the police. Averbuch, instead of going to night school, as his sister declared he did, is said to have been in nightly communication with a band of radical revolutionists, and it was at a meeting of these men that Averbuch was chosen to "remove" the police head.

ASKED WHERE CHIEF LIVED.

Averbuch is said to have left his home on Friday morning following his acceptance of the commission and to have never returned. He went to his place of employment at the commission house on South Water street, and in conversation with his fellow-employees made numerous inquiries regarding the chief of police. He is said to have talked violently concerning the order which prohibited the parade of the "unemployed" last January.

"Where does the chief live?" Averbuch is reported to have asked one of his associates. "I'd like to find out what kind of a home he has got."

Later one of the men informed Averbuch that he had looked up the address and gave it to the young Russian written on a scrap of paper. At the time Averbuch's interest in the police official failed to raise suspicion, but, being recalled after the attempt upon the life of the chief, it was the clew which led to the identification of the would-be slayer.

CLEW IN WOMAN'S HANDS.

"We have several important clews," said the assistant chief to-night, "which we believe will lead to the arrest of the conspirators. Olga Averbuch persistently refuses to give us any information. We are seeking the young woman, Rosa Stern, among others, who lived with Averbuch and his sister."

The net result of police activity during the day and evening was the rounding up of nine suspects. Three arrests, which the police considered important, were made late in the afternoon. A man who gave his name as Harry Goldstein, and who is said to be an agent of the Edelstadt Society, an anarchistic organization at 427 Union street, was taken into custody at Halsted and West Fourteenth streets while distributing handbills of a rabid, anarchistic nature. Two other suspects, whose names were withheld, were arrested and subjected to a rigid examination at the city hall. One was taken at Halsted and West Taylor streets and the other at Washington street and Fifth avenue, in the loop district.

A clew secured early in the day led to the arrest of Isadore Marco, who for a time was believed to be the "curly-haired" companion of Averbuch, the would-be assassin, as described to the police by Olga Averbuch, sister of the dead man. This was later decided to be not the case, but Maron admitted sufficient association with Chicago anarchists to warrant his being placed in a cell.

MYSTERY BEHIND ARREST.

Another clew led to the arrest of M. Abramovitz, 20 years old, a Russian, a student at the University of Chicago night school, and employed as a printer in the daytime. His "sweating" by the police lasted until late in the evening. The others under arrest were held more because of their affiliation with anarchistic societies than from any expectation of connecting them with the attempted assassination of the police chief.

Harry Goldstein was hurried, after his arrest, to the office of Assistant Chief Schuettler, and there personally examined by Mayor Busse. Much secrecy was thrown around the capture of the man, and the police would not say what information had been found to cause his arrest.

"This is the man for whom we have been looking since yesterday," declared a police official, who refused to make any further statement. Emphasis to the importance of the arrest was given by Mayor Busse's act in taking personal charge of the "sweat-box" examination. Goldstein was captured in a raid at Halsted and West Fourteenth streets.

"CATECHISM" OF BLASPHEMY.

Literature teeming with blasphemy, which is used by anarchists as catechisms for children in lieu of the religious instruction, was unearthed to-day in quarters of anarchists in different parts of the city.

It is reported that the police will attempt to cause the summary deportation, without trial, of all avowed anarchists.

The situation which developed into the tragedy of yesterday was thus discussed by Chief Shippy:

"A number of attacks were made on the police at a meeting in Brand's Hall recently. Several of the speakers might just as well have told their deluded hearers to go out and murder every policeman they saw. That was what one of the speakers said he wished he could do—go out and kill every policeman and throw their bodies in the lake to the fish. Lucy Parsons spoke at this meeting, attacking the police bitterly.

"TAKING LIFE IS SERIOUS.

"It is the suggestion that causes these poor, deluded men to go out with their knives and revolvers to kill. Taking human life is a mighty serious business. I realized that when I shot in self-defense and in defense of my wife and son.

"The Chicago anarchists also were bitter against me for the reason that I interfered with the parade that was to have been held several weeks ago. I am certain that I took the right course on that occasion. They held such a parade in Philadelphia, and three policemen were killed.

Frank Zajicek was arrested to-day charged with sending a threatening letter to a Roman Catholic clergyman, Procopius Nuzil, a prior of the Benedictine Fathers. The prisoner, who is 38 years old, and lives at 584 Blue Island avenue, on the borders of the Ghetto district, admitted sending a demand for \$1,000 to the priest, according to the police.

TO RID NEW YORK OF REDS—THREATS AGAINST ARCHBISHOP FARLEY ALARM HIS SUBORDINATES.

NEW YORK, March 3, 1908.

The order of Secretary Straus, of the Department of Commerce and Labor, for the deportation of such alien anarchists and criminals as the law can reach will be enforced promptly and vigorously by the Federal authorities here, working in harmony with the municipal police.

Commissioner of Immigration Watchorn is keenly alive to the situation, and his subordinates are already schooled in what is expected of them. United States District Attorney Stimson said to-night that the matter had not yet been brought to his attention officially, but he intimated that no time would be lost by the Federal officers in complying with the instructions of the Department.

Police Commissioner Bingham said that the local police were exercising now every precautionary measure possible, and that he would continue to do his best with the limited resources at his command. The commissioner has repeatedly urged the need of a larger force, especially in the detective branch of the department.

PLAN JOINT ACTION.

It is known that conferences between several Federal authorities will be held to-morrow, and it is understood that a representative of the Immigrant Service will confer with Commissioner Bingham to plan joint action.

Despite qualified denials, justified by the secret nature of the work, it is known that a systematic campaign against those suspected of anarchistic sympathies has been quietly waged in this city for months. Special detectives are scattered throughout the Wall street section, the neighborhoods of the wealthy receive special attention, and the haunts of the suspected are closely watched. While little appears on the surface, it is known that any attempt at a lawless demonstration would be ridden down roughshod and that a warm reception awaits the avowed anarchist from other parts who, in an ill-advised moment, may turn his steps New Yorkward.

THREAT AGAINST ARCHBISHOP.

A report that Archbishop Farley, head of the Catholic Church in New York, had been threatened by anarchists reached Commissioner Bingham to-day, but he would not confirm it. The archbishop's subordinates, however, have been in communication with the police in an effort to hunt down the authors.

In a formal statement to-night General Bingham declared: "The only foundation for the story concerning a threat made against Archbishop Farley is an anonymous letter received at police headquarters six months ago, in which his name and the names of other prominent men were mentioned. This was a typical 'bug' letter, and no attention was paid to it. Every prominent man receives scores of such letters, and if any attention was paid to them the recipients would never have any peace of mind.

"There is no truth in the assertion that the force of patrolmen has been increased in the financial district because of threats made against men doing business there. Scores of 'bug' letters are received by the police department every day in the week."

Of the additional police assigned to the financial district, the commissioner said:

WILL HANDLE ANARCHISTS.

"The force has been increased about twenty men, and it is partly true that they are there on account of a circular letter. Here again is another case which proves that if I had a secret-service fund I could do good work in that line. The first thing to do is to get good men in the service, and they are not in this city to-day. In fact, I only know of two men who I think could do the work, and they are not in the city. We will take all precautions necessary to handle all anarchists, and we will see that very few come to this city."

To the question whether he had received any threatening letters recently the commissioner replied:

"No; I have not lately, but one of my deputies has." He declined to say to which deputy he referred, or to be more explicit.

Archbishop Farley was out of town to-day.

NO EVIDENCE OF TROUBLE COMING.

Police Commissioner Bingham said there was no evidence that the western anarchists had eastern connections.

"Since the murder of Father Leo," he said, "and in connection with that crime, or the attempt on the life of Chief of Police Shippy, of Chicago, nothing has occurred here to indicate that these western anarchists have any New York connections, or that prominent men here are likely to suffer.

"What may happen no one can tell. I may be the next one myself; but so far there is nothing in the local situation to give us reason to believe there is danger of an outbreak here."

THREATEN WOMAN TEACHER—SCURRILOUS BLACK-HAND LETTERS SENT ADVOCATE OF EQUAL PAY.

NEW YORK, March 3, 1908.

Miss Grace C. Stracham, assistant superintendent of public schools and president of the Interborough Teachers' Association, who has been especially active in the fight for equal pay for woman teachers, was a visitor to-day to the Smith street police headquarters, in Brooklyn, where she had a conference with Acting Captain Kuhne, of the detective bureau, in reference to some Black Hand and scurrilous letters which had been sent to her recently.

One letter was ornamented with pictures of a dagger, skull, and crossbones. It read:

"We see you are trying to make taxes higher by going to Albany to get more money for wimmin teachers and not for men. You are nothing but a fool to go in with a man like McCarren to win pay like men. Beware. Your a marked woman. You will surely die if you don't stop the equal-pay fight. Fire and bombs. Warning. Sent by committee. Black Hand."

The other letters were full of insulting language and epithets. Miss Stracham said that she was not frightened at the communications, but that she would like the police to discover the authors, if possible. Captain Kuhne advised her to take the letters to the post-office authorities.

SEARCH ON AT PITTSBURG—ALL PERSONS OF ANARCHISTIC TENDENCIES BEING CLOSELY WATCHED.

PITTSBURG, March 3, 1908.

Following the attempted assassination of Chief of Police Shippy, of Chicago, yesterday, the local authorities are taking vigorous measures to prevent outbreaks of a similar nature here.

All known persons of anarchistic tendencies are being closely watched, and renewed efforts are being directed toward breaking up foreign blackmaling organizations.

Superintendent McQuaide says he is pleased that the Chicago assailant was killed, and that he will endeavor to secure cooperation with the police chiefs of other cities to assist in getting rid of the undesirable foreign element.

"Should his life have been spared and the case come to trial, riots, bloodshed, and possibly many deaths from violence would have resulted," Superintendent McQuaide says: "There is no question in my mind that the attempt upon Chief Shippy's life was the direct result of the assassination of the Denver priest. There seems to be but one remedy for the anarchist situation—that is, to secure revision of the immigration, particularly the deportation laws. The moment a foreigner announces himself to have, or can be proven to have, anarchistic tendencies, he should be immediately sent back to his native land."

TWO CHURCHES GUARDED—THREATS HAVE BEEN MADE TO DESTROY PHILADELPHIA STRUCTURES.

PHILADELPHIA, March 3, 1908.

Two of the biggest Roman Catholic churches in Philadelphia were to-day put under strict police surveillance, and guards of plain-clothes men surrounded them to-night, because of threats of anarchists to destroy them. The churches are St. Ann's and the Chapel of the Holy Name, both in the northeastern section of the city. The parochial school of the Chapel of the Holy Name has practically been closed for the last two days, because of the report of the plot.

MURDERER OF MONK SANE—FOUR EXPERTS FIND THAT DENVER ANARCHIST IS MENTALLY SOUND.

DENVER, COLO., March 3, 1908.

Giuseppe Alia, the slayer of Father Leo Heinrichs, is declared absolutely sane in a report submitted to District Attorney A. Stidger to-day by four experts in mental diseases, who examined the prisoner for several hours.

The physicians agreed that Alia has no mental delusions whatever.

[Chicago Tribune, March 3, 1908.]

FIND HIS ASSOCIATES.

Everything goes to show that the would-be murderer of Chief Shippy was a thoroughgoing anarchist. The place and the time of the attempt indicate that he was not thinking of his own personal safety. If only he could kill he was prepared, like the desperate Russian bomb throwers, to be killed.

It is for the police to discover, and they have every incentive to do so, who this man is and who his associates were, and thus find out the motive that actuated him. After the assassination of the Rev. Leo Heinrichs at Denver by an Italian anarchist Chief Shippy was quoted as saying that Emma Goldman would not be permitted to speak at a meeting soon to be held here. That may have had some connection with yesterday's crime, or it may have been inspired by the action of the police in guarding some Roman Catholic priests.

Or this attempt may be a verification of the statement made in the Tribune three weeks ago on the strength of what it considered trustworthy information that the anarchists had changed their plan of campaign. It was said then that there were to be no more Haymarket outrages, but that a policy of individual assassination had been resolved on. Here and there, one by one, the men whom the anarchists looked on as special enemies were to be picked off. One of the city papers said then there were no anarchists in Chicago. Perhaps it will change its mind.

The assassin is beyond the reach of justice, but when the police shall have unearthed his associates they will have found a desperate and dangerous gang. It may be impossible to connect any of them directly with yesterday's crime, but if there are any of them who have only recently come to the country it should be possible to deport them. The law excludes anarchists. If they can not be deported, they will have to be the subjects of continued police vigilance.

The denunciation of anarchy from many pulpits on Sunday is followed by the attempt to murder the chief of police. That should only make the community more determined that anarchy shall be suppressed and should make the police more zealous about crushing it out. One Haymarket experience should be enough. It may well be that the great majority of the Chicago anarchists are violent only with their tongues and do not dare to risk their necks. But there are others more indifferent to consequences who, when their minds are inflamed by the wild speeches of their associates, are ready for any crime.

The police must keep an eye on them all. They must look out for newcomers, and when they arrive find out whether they have any right to be in the country, and if not, have them sent out. The immigration officials have let in too many anarchists. They must be more vigilant or there will be an increase in anarchistic crime. But, irrespective of what they do, Chicago must deal resolutely and firmly with anarchy within its limits.

It is said that the knife and revolver carried by the dead anarchist never had been used before, and probably were bought recently. If the council had passed the ordinance to stop the indiscriminate sale of firearms when the Tribune first called on it to do so, it would have been more difficult for that man to arm himself. Perhaps now the council will pass the ordinance.

POST-OFFICE APPROPRIATION BILL.

Mr. OVERSTREET. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the post-office appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 18347 (the post-office appropriation bill) with Mr. OLMSTED in the chair.

Mr. OVERSTREET. Mr. Chairman, I ask that the gentleman from Tennessee [Mr. MOON] occupy some time.

Mr. MOON of Tennessee. Mr. Chairman, I yield five minutes to the gentleman from Georgia [Mr. HARDWICK].

Mr. HARDWICK. Mr. Chairman, I am deeply disappointed at the failure of the Committee on the Post-Office and Post-Roads to include in this bill legislation to carry into effect the recommendation of the Postmaster-General for a parcels post. If the committee had seen fit to confine the system strictly to rural routes, I should have been satisfied with that, and it is difficult to see how any Member of this body, who represents a constituency that is even partly rural or who has the interests of our country people at heart, could have opposed it. For this service the scale of charges would be, according to the departmental recommendation, 5 cents for the first pound and 2 cents for each additional pound up to 11 pounds, which is the limit in weight proposed by the Department, so that the total charges for a package weighing 11 pounds would be 25 cents. The establishment of this system would be a great boon to our rural people. It would go hand in hand with our present rural mail-delivery system, utilizing the machinery already provided for that system, using the same men, the same horses, and the same vehicles, or certainly not more expensive ones than are now provided for the delivery of the rural mail. It would be self-sustaining and self-supporting and would enable us from its profits to still further increase the pay of our rural carriers without taking a cent from the public Treasury. It would greatly increase the comfort and convenience of life in the country. The same principle of economy that is the basis of our rural mail delivery is the basis of this proposed parcels-post delivery.

Instead of forcing a large number of men living along rural routes to hitch up their horses and go to town, thus losing time from their work, to carry fruits, vegetables, or poultry to sell in town or to bring back purchases from the merchant in town, the carrier would deliver packages of each character along his route, those from the farmer as well as those to him. It can be readily seen that the saving in time and money to all classes who would obtain the benefits of the service would be almost incalculable.

So far from injuring the trade of our retail merchants in the small towns and even in the rural districts, this system would improve and extend that trade, for the small merchant would always have a cheap, prompt, and reliable delivery service for his own use. The objection is sometimes urged against the proposition that it is paternalistic in its character; that it is no part of the Government's duty to engage in the delivery of parcels, or in the transportation of merchandise of any kind. The same argument was urged against the establishment of our Post-Office Department itself. In that case the argument has reduced itself to such a practical absurdity that few, if any, now make it, and its ridiculousness is now universally conceded. But I would like to inquire what is the difference in principle between transportation by the Government of sheets of paper, either printed or written, and the transportation by the Government of other articles of merchandise that are just as important and just as necessary as newspapers or magazines or letters for the development of our civilization and the improvement of the conditions of life among our people. If there is any difference, it is so finespun, so hairsplitting, that I can not perceive it.

Mr. Chairman, for the past year or more I have made a somewhat extended investigation into this subject. I have written to the post-office departments of many foreign countries where this system is now being successfully operated and have obtained the reports of these departments upon it. I

now have in my desk the reports from Great Britain, Germany, France, and New Zealand, and I have yet to find an instance where the system has failed or has not been eminently successful. In all of these countries it works satisfactorily, pays its own way, and is a great blessing to all classes, to the small merchant as well as the rural citizens. In all of them the system is extended and improved year by year, and no man suggests a backward step. For several years past I have earnestly and actively, both in public speech and private conversation, advocated the establishment of this system in the United States. I took that position long in advance of any recommendation of our Post-Office Department and long in advance of the indorsement of the proposition by some of the powerful organizations that now support it. The Farmers' Union, a powerful and influential organization of the farmers of the country, with the flower of its strength in the South, has indorsed it, and its locals everywhere are urging the Members of this House to support it. Its position on this great question is so true to the real interests of its members that it is a splendid evidence of the wise and far-sighted leadership with which that organization is blessed, as well as an encouraging proof of the quickness and unanimity with which our country people are beginning to perceive their true interests.

Though our cities are flourishing and may grow still richer and still larger, yet, after all, the mainstay and backbone of our country is the great mass of our great rural population, and no statesmanship can ever be very comprehensive or wise that fails to recognize this great fact and to do all in its power to build up the rural sections, to make conditions there more favorable, and life there more pleasant and more worth living. Entertaining these sentiments, it is with deep regret that I am forced to the conclusion that there is little hope to obtain this legislation at the present session of Congress. If the provisions for a rural parcels post had been included in the bill reported by the committee, the situation would be vastly different and the prospects for securing the legislation would be bright. If the point of order that new legislation can not be carried on an appropriation bill had been insisted on, how easy it would have been for this powerful committee of the House to have obtained from the still more powerful Committee on Rules a special rule declaring that during the consideration of this bill the provisions of a parcels post should be in order in spite of the usual point of order. Almost every day this proceeding is resorted to whenever the House or any powerful committee wishes to do something forbidden by the ordinary and usual rules of this body. Only the other day, during the consideration of the Army appropriation bill, resort was had to this procedure to enable this body to grant a meritorious and much needed increase of pay to the enlisted men of our Army after the point of order had been successfully urged against the increase. At the first session of the Fifty-ninth Congress the legislative, executive, and judicial appropriation bill was passed under a kind of special omnibus rule, abrogating at one blow scores of points of order that had been successfully made against numerous increases in salaries and appropriations carried in that bill.

It is well known that the Committee on Rules rarely, if ever, turns a deaf ear to appeals of this character, if the appeal comes from some one of the great committees of this House. That it would turn anything but a deaf ear, even if that, to almost any individual Member can not be doubted. Doubtless, the effort will be made, when we begin to consider the bill under the five-minute rule, to offer an amendment to provide a parcels-post system confined to the rural routes, but that the point of order will be insisted upon is certain, and to hope for relief from the Committee on Rules is vain. Therefore, the proceeding will not only be utterly hopeless, but utterly useless.

As business is transacted in this House there is little hope that bills providing for changes in existing law, and regularly referred to the proper committees, can pass, or can even receive consideration. However meritorious, they are doomed to sleep in the committee room or on some uncalled Calendar, some unsounded docket. The hope that they will ever wake up is even fainter than usual in a session immediately preceding a Presidential election, when the Members of both Houses are so anxious to get home to look after their political fences that they are, as at the present session, proceeding to get ready to do so with the speed of the whirlwind, even if, in order to do so, they leave unacted upon and undisposed of the stirring and strenuous recommendations of the President upon great questions of governmental policy and proposed legislative remedies for existing evils that have been brought to their attention by President Roosevelt in the most vigorous and aggressive fashion ever witnessed in our political history.

When the President can not command consideration from his own party in this body for the great questions he has presented to it, who else may hope to obtain it?

Therefore, Mr. Chairman, I confess that I am disappointed at the failure of the Post-Office Committee to include in this bill provisions for a parcels-post system, limited to rural routes. If the committee had found the point of order insisted on, it could have easily overcome that difficulty by an appeal to the Committee on Rules. No individual member of this body can, however, hope to follow that road successfully. The responsibility for the failure of the committee and of this House to follow the recommendation of the Republican Postmaster-General must and can only rest on the shoulders of the Republican party, for that party, through its majority membership on the Committee on Post-Offices and Post-Roads, has declined to pursue the only practicable road by which consideration could be obtained for this most meritorious measure. I do not see how the Republican party can hope to escape this responsibility. It certainly can not do so.

If my friends on the other side of this Chamber undertake to tell the farmers of this land, who earnestly favor this legislation, that they did not have time to consider it during the present session, will they not be met with the question, "On what more important measure could you spend your time?"

If our Republican friends undertake to say that they could not consider, in connection with this bill, the merits of the proposition, although it was earnestly recommended to them by the Postmaster-General, because of the point of order, will not the reply be aptly made: "Why is it that when an increase of pay for the enlisted men of our Army is proposed, or when salaries are to be raised, or when legislation on any subject is really and sincerely desired by you, that you can brush aside the point of order like it was a troublesome but harmless insect, but when it comes to the consideration of this great measure in the interest of our rural people you then find the point of order not only harmful and dangerous, but also unconquerable and omnipotent?"

To-day I can do little more than express my sorrow and disappointment that the time between now and the assembling of the next national party in power is so short, and the point of order is so strong, that, between the two, there is little hope for the consideration of this measure at the present session, and to venture the prophesy that before many more sessions shall have passed an enlightened public sentiment will force its consideration.

Mr. MOON of Tennessee. Mr. Chairman, I yield to the gentleman from Tennessee, my colleague [Mr. SIMS], one hour.

Mr. SIMS. Mr. Chairman, the matter I rise to discuss is germane to the subject-matter of the bill now before the House, not the bill itself, but an amendment thereto. I propose to discuss the bill H. R. 67, introduced by the gentleman from Texas [Mr. BURELSON], the object of which bill is to prevent the use of the United States mails, the telegraph, and telephone in transacting cotton future sales and purchase on the exchanges of the country where no actual delivery or acceptance of cotton is contemplated.

Mr. Chairman, I do not rise here to hurl abuse at cotton operators as such or members of the cotton exchanges as such, but for the purpose of discussing the relation of cotton future dealings to actual cotton business, either in the way of producers or manufacturers or such middlemen as are necessary to the transaction of actual commodity cotton business. It has been often stated as one of the reasons for the existence and operations upon these exchanges that they were an aid to actual cotton transactions; that they were an aid to the producers and the handlers of actual cotton, to middlemen, and to the manufacturers of cotton goods. If that is true, I should not object to these transactions nor attempt to prevent or hamper them in any way; and I know the gentleman from Texas, in introducing this bill, had no purpose in his mind to prevent the doing of anything that will be on the whole an aid to the legitimate cotton industry in all its branches and forms. Consequently there is no soreness on my part, there is no spirit of getting even with somebody or making unjust warfare upon any institution anywhere; but I want to weigh, investigate, and come to a conclusion whether or not the cotton exchanges of the country as a whole are a benefit or an injury to the cotton industry.

I charge, from such limited investigation as I have been able to make, that upon the whole they are as operated an injury and should not be permitted the use of the United States mails in furtherance of this so-called "business," which in the aggregate is an injury to the industry that it is claimed it will benefit.

I would feel a great hesitancy in undertaking to discuss this matter in this House, knowing as little as I do about it, if I was

not convinced that if not a majority at least a large number of my colleagues on both sides know a great deal less even than I do about it. But the cotton growers of the South in organized capacity have demanded legislation to relieve themselves from the situation which they claim is really a detriment.

Mr. STEPHENS of Texas. Will the gentleman permit me to ask him a question?

Mr. SIMS. Certainly.

Mr. STEPHENS of Texas. I desire to ask the gentleman why this bill should not apply also to wool and grain of all kinds?

Mr. SIMS. As far as wool is concerned, it can not apply, because wool is not dealt in upon any exchange for future delivery on margin as is cotton.

Mr. STEPHENS of Texas. What about applying it to grain?

Mr. SIMS. I know of no reason why it should not apply to grain; but I am looking after an interest of my own section, and as my section does not produce any large quantity of grain that is handled upon any exchange I will not discuss this matter as relates to grain, but shall confine myself to the cotton industry and not to other industries.

I start out with the charge that fully 90 or 95 per cent of all the transactions recorded upon the cotton exchange of New York are purely speculative, and in no way logically connected with cotton transactions in fact, and that this 95 per cent of transactions give color and effect to these operations as a whole, and should be judged accordingly. The dealing upon cotton exchanges in what is known as "futures" is really dealing in fluctuations.

Mr. FITZGERALD. Will the gentleman allow me to ask him a question?

Mr. SIMS. Yes, sir.

Mr. FITZGERALD. Has the gentleman the facts upon which he bases this statement of the percentage?

Mr. SIMS. I have. I make the statement and will back it up with the proof—that 95 per cent of them are in no way related to the actual cotton industry in any form, either to the growers, or to the merchants who take it from the farmer, or to the middleman who handles it, or to the exporter or spinner. Then, if there is not more than 5 per cent of these transactions that in any way benefit the cotton industry and 95 per cent that are detrimental, should we longer tolerate the use of the United States mails in the maintenance of the so-called "business" which is a maintenance of an evil, judged of in every way that it may be considered.

Mr. Chairman, I am ready to admit that investment—speculation—as a rule, tends to support the values of the things speculated in. I am not here to fight speculation as such—investment speculation—but the so-called "speculation" that its necessary effect is that one party loses what another one gains. [Applause.] It is no legitimate speculation for me to buy 500 bales of cotton for May delivery through a cotton exchange from my friend [Mr. CLARK], who sells me the 500 bales, and the market goes against Mr. CLARK, and I take his \$500 put up as margin and put it in my pocket by reason of the market going down. In such a transaction he loses what I gain, and I gain what he loses. That is the result of speculation in fluctuations.

Mr. CLARK of Missouri. Will the gentleman allow me one question about this business. Would it not be a good deal better, and in the end cheaper, for us to go into the lobby and put up \$500 as a bet as to cotton going up and down in the market than to go to these exchanges and pay these fellows a commission for this species of gambling?

Mr. SIMS. In the transaction I have just explained between Mr. CLARK and myself the cotton exchange takes the margin money, which is simply and purely a stake, and turns it over to the winner, less the commission charges for holding the stakes in the form or name of margins and going through the details of this so-called "business."

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

Mr. SIMS. Certainly.

Mr. LOVERING. Do I understand that such a sale or transaction as the gentleman has described between himself and Mr. CLARK is included among the 5 per cent or the 95 per cent?

Mr. SIMS. The 95 per cent.

Mr. LOVERING. It is included among the 95 per cent?

Mr. SIMS. Yes. I am seeking to explain what is called "speculation," but what is, in fact, gambling.

Mr. MADDEN. Did the gentleman say that he felt justified in buying 500 bales of cotton and putting up \$500 as a margin?

Mr. SIMS. I did not hear the gentleman.

Mr. MADDEN. I understood the gentleman to say he thought it was a perfectly legitimate transaction to buy 500 bales of cotton, deliverable on the 1st of May, on which he would pay a certain amount of money, a certain margin—

Mr. SIMS. No; I did not say that.

Mr. MADDEN. What did the gentleman say?

Mr. SIMS. I am undertaking to explain the difference between real speculation and what is here called speculation, but which, in fact, is wagering or gambling. Now, suppose I should buy 500 bales of cotton from my friend Mr. CLARK. He sells to me as a grower, or he has bought it from somebody else. He sells it to me for a price that yields a profit to him. I hold it a while and I sell it to my friend and colleague [Mr. GARRETT] for a profit. He holds it a while and sells it to another friend for a profit, and so on down. It may go through a hundred hands and be sold a hundred times, for a profit in every instance, and all legitimate speculation and not gambling, and every man has made something and no man has lost anything. That kind of speculation is a benefit to the cotton crop. When the vast number of millions of bales of cotton that are gathered in September, October, November, and December are thrown on the market, there is a greater supply than there is any actual demand for cotton at that time. Then somebody has got to buy that cotton from people who are unable to hold it themselves. That is where the legitimate speculator comes in. In other words, he does not necessarily have to be a spinner. He may be a banker; he may be a Member of Congress—if one could be found who had money enough to buy cotton. The speculator can buy all the cotton which is not at the time needed by the spinner, and hold it, selling it later, when there is a demand from the spinner, and making a profit. That man has been a benefit to the cotton trade, because he has kept off of the market the excess of the commodity at a time when there was no demand for all cotton offered. That is legitimate speculation; that is real speculation; that is speculation which may always result in a profit to all persons engaging in it, but, of course, may sometimes result in a loss. The other kind of speculation never can result in a profit to one without a corresponding loss to the other. Now, as 95 per cent of the dealings on the cotton exchange are of the kind I have just mentioned as gambling transactions, how can it possibly be of any benefit to actual business?

Mr. FITZGERALD. Will the gentleman explain the difference between what he classifies as bad speculation or reprehensible speculation and this speculation that he approves? For instance, these transactions that he has been detailing are not all cash transactions. They are time transactions. And may not the man who buys from the gentleman's friend, Mr. CLARK, on time, and who then attempts to sell at a later date, lose as well as gain, and may not the person who buys from him, some cash and some time, also gain or lose?

Mr. SIMS. Do you mean buying contracts on a margin or dealing in actual cotton?

Mr. FITZGERALD. I am talking about the transactions which you regarded as proper. They are not all cash transactions?

Mr. SIMS. Not by any means.

Mr. FITZGERALD. They are time transactions?

Mr. SIMS. Some of them are.

Mr. FITZGERALD. What is the difference whether I buy from the gentleman from Missouri on time or whether I buy it from a cotton broker on time?

Mr. SIMS. Cotton or cotton contracts, which do you mean?

Mr. FITZGERALD. It is immaterial; I buy cotton to be delivered when I need it.

Mr. SIMS. You intend to take the cotton and not settle at the difference?

Mr. FITZGERALD. It would depend upon whether I needed the cotton at the time of delivery.

Mr. SIMS. If you bought it in advance and you didn't need it and you settled on the changes of the fluctuations through the margin, what would you call that?

Mr. BURLESON. With the permission of the gentleman from Tennessee—

Mr. SIMS. Certainly.

Mr. BURLESON. I will state to the gentleman from New York that this bill applies only to contracts where there is no intention whatever on the part of the seller or buyer of delivering or receiving the cotton.

Mr. FITZGERALD. Does the gentleman from Texas think it will be possible to ascertain whether two men making a contract, the one to buy and the other to sell cotton, actually intended at the time not to take or deliver the cotton?

Mr. BURLESON. That is a question of fact upon which the jury should be permitted to pass; but if it was a transaction of that kind, where the cotton was to be delivered, the gentleman's clients would never suffer.

Mr. FITZGERALD. My clients, unfortunately, are not in that class.

Mr. SIMS. Mr. Chairman, in order to understand this, I

want to read what is said in favor of these operations. I read from page 58 of Cotton Movements and Fluctuations, by Latham, Alexander & Co., New York, bankers and commission merchants, being the last report of that kind they have published. It is thoroughly reliable, being by one of the best firms in New York in every respect, and here is what they say, giving their reasons for this character of dealing. I invite your attention to it:

To merchants and operators cotton contracts for future delivery afford great advantages; this is evidenced not only by the large business in New York, but also by the extensive business done in them in Liverpool. They fluctuate more widely and frequently than cotton, though governed in general by the course of actual cotton on which they are based.

Contracts can not only be purchased, but can also be sold short. By dealing in them loss in weight, interest, insurance, and various other charges can be avoided. No large sums of money, such as are necessary when dealing in actual cotton, are required. At light expense the holder of a contract can avail himself of the fluctuations of the market during many months.

There is the milk in the cocoanut. The money that is made or lost is made or lost on fluctuations, and that is the only possible way to make it. Now, is this good business; is it good legislation to permit dealings in simple fluctuations in a great commodity, one of the greatest the world produces?

Mr. LOVERING. The bucket-shop principle.

Mr. SIMS. Yes; the bucket-shop principle, as the gentleman from Massachusetts states.

Mr. BURLESON. Will the gentleman state to what extent the fluctuations obtain?

Mr. SIMS. I will come to that directly. If these fluctuations did not affect the actual price of cotton, did not have a deleterious effect on the price of spot cotton, we would not complain, we would not care. If the people who thus speculate would not do anything that affected the actual price of cotton and bring about a fluctuation, it would not hurt anybody but the gentlemen who put up the margins. But we have great operators who carry as much as 500,000 bales of futures, and who can make no money on them without favorable fluctuations. What do they do? They become immediately interested in creating a favorable fluctuation. They go to work at once to bring about fluctuations that will give them other men's money without any equivalent value for the same.

Mr. DRISCOLL. Will the gentleman yield?

Mr. SIMS. Certainly.

Mr. DRISCOLL. If I want to buy 100 bales of cotton, pay for them in cash, whether they are delivered or not, is that proper according to your proposition?

Mr. SIMS. For future delivery? Perfectly proper.

Mr. DRISCOLL. Suppose I buy it in the hope and confidence that that cotton will rise in value in a month, and believing I can sell it for more, I pay for it. I buy it in the hope of making money by fluctuation, do I not?

Mr. SIMS. Yes.

Mr. DRISCOLL. Is that a proper transaction according to the gentleman's notion?

Mr. SIMS. Does the gentleman mean that he buys cotton or buys a contract?

Mr. DRISCOLL. I buy the cotton, and I buy it in the hope that it will rise in the future in the market.

Mr. SIMS. That is a perfectly legitimate transaction as I view it.

Mr. DRISCOLL. And in the hope that I will make money by the fluctuation.

Mr. SIMS. By the increase.

Mr. DRISCOLL. By the fluctuation, by its fluctuating up.

Mr. SIMS. Yes.

Mr. DRISCOLL. That is proper, is it not?

Mr. SIMS. That is perfectly legitimate—by buying 100 bales of cotton everybody who owns cotton will be benefited, because it takes that much off the market.

Mr. DRISCOLL. But by and by I put it on the market again.

Mr. SIMS. If the gentleman does, then it has a depressing effect to the extent of the weight of 100 bales.

Mr. DRISCOLL. I depress it then as much as I elevate it now.

Mr. SIMS. I do not know. It is owing to how long the gentleman holds it and the condition of the market when he offers it for sale.

Mr. DRISCOLL. I am trying to get the gentleman's distinction between what is legitimate and proper and what is reprehensible according to his notion.

Mr. SIMS. That is what I am trying to make plain to the House. Mr. Chairman, these interruptions are all pleasant and desirable, yet they get me off the main thread of my argument, and I may not always get back to it.

Now, our friends who maintain that the cotton exchanges are a benefit to the cotton industry say that there is an intimate relationship between them, and that trading in the exchange promotes the cotton industry as a whole. In that connection, I want to ask what I think is a very pertinent question. If they are related, and are beneficial to cotton and an aid to the handling of the same, would not the exchanges in the United States naturally be located and operated where the greatest amount of actual cotton business is transacted? How are the facts? The largest crop of cotton this country has ever produced was thirteen and a half million bales. I have it from what I regard as reliable sources of information, that the number of bales of cotton represented by the contracts sold in one year on the New York exchange will amount to 90,000,000 bales, between eighty and one hundred millions, more or less. That is the greatest number of bales of cotton contracts sold anywhere on the face of the earth, and if it was related to actual business we would expect to find in New York what we find in Liverpool—a vast hord of merchantable, desirable cotton that the spinner wants, and the spinner would go to New York to buy it.

If I had bought a May contract and wanted to get rid of it, and a spinner knew of that fact, he would buy it, possibly at a profit to me, because he wants what he knows he is going to get—spot cotton of a merchantable, spinable variety. What are the facts? I will read again from the same source. The cotton year ends on the last day of August always and therefore begins on the 1st day of September. The receipts for the port of Galveston for the cotton year of 1906-7, which is the last of which we have reports, was 3,891,695 bales. In New Orleans, the next greatest port, it amounted to 2,296,971 bales; at Savannah, Ga., 1,668,633 bales. There is no cotton exchange at Galveston in which you can buy and sell futures, as I understand, and there is none at Savannah. There is one in New Orleans and one in New York, the only two in the United States that do this business, as they call it. Let us take the port of New York where ninety millions are handled in contracts, and what do you suppose their total receipts were for that year? Twenty-three thousand one hundred and eight bales! Is not that conclusive evidence to any clear-minded, unprejudiced man that futures do not follow actual cotton transactions and that actual cotton transactions do not seek the place of the greatest contract transactions? In other words, they are not associated, and while the effect on the price of spot cotton is very great by the dealings done in New York on the cotton exchange, the effect generally on the whole cotton industry is deleterious. At the end of the cotton year, Galveston, which had receipts of nearly 4,000,000 bales, had left over 30,820 bales; New Orleans had left over 31,964 bales; Savannah had left over 8,593 bales. New York, which only had 23,108 bales during the entire year of receipts, had at the end of the year 169,975 bales left over.

Mr. HUMPHREYS of Mississippi. Where did that come from?

Mr. SIMS. I will tell you. That statement seems a mathematical absurdity and looks impossible without explanation. How could they have six or seven times as much cotton left over at the end of the year as the receipts amounted to during the whole year? The average layman does not know, and I am not far above the average layman, either. Under the rules of the cotton exchange, cotton is made deliverable on contracts that no spinner wants or will have.

The result is that what accumulates there is unmerchantable, undesirable, unspinnable stuff which is used only to liquidate these gambling debts called "futures." Where did that hundred and some odd thousand bales, where did that vast number of bales that were left in New York at the end of that year come from, when the receipts for the whole year were 23,000 bales in round numbers? They were carried over from the year before. This cotton had been on hand doing the same old business at the same old stand for five years, as the gentleman from Massachusetts [Mr. LOVERING] says, delivered upon contracts, or not so much delivered as offered to be delivered. Now let me explain—

Mr. HUMPHREYS of Mississippi. Let me ask one question. What character of cotton can be delivered under the rules of the New York Exchange in liquidation?

Mr. SIMS. I am going to come to that in a moment if I can reach it in order. Now, if the grades of cotton deliverable upon the cotton exchange of New York were such as to make it more desirable to own them than not to own them, they would not affect the price of cotton adversely. If I had bought cotton in New York, or you had, wanting to keep it until wanted by a manufacturer, the spinner, knowing he would get cotton of the kind he could use, would take our contract off our hands and

receive the cotton. How many grades do you suppose are deliverable on the cotton exchange of New York? About thirty in all.

I will put in the Record a certificate by George Brennecke, chairman warehouse and delivery committee of the cotton exchange of New York, of September 30, 1907. Of all the cotton inspected and certificated and subject to delivery there classes that can be and are delivered upon contracts. Now, what is merchantable or desirable cotton? Every man who has given the cotton business any study knows that "middling" cotton is the basis. In other words, middling cotton is the cotton for which there is the greatest average demand the year round, so when a man buys cotton he buys middling basis, and that middling-cotton contract may be executed by delivering another grade with a certain number of points on or off the price of middling. If the New York Cotton Exchange was promoting actual cotton business, there would be in the warehouses cotton of average or desirable grades, would there not? Now, let me astonish you. Of middling basis there was only 375 bales in the whole lot of 138,484; of good middling tinged, value of middling, 146 bales; of grades above middling and worth more than middling, strict middling, 116 bales; barely good middling, 23 bales; good middling, 20 bales; fully good middling, 1 bale; strict good middling, 15 bales; barely middling fair, 7 bales; middling fair, none; strict middling fair, none, and fair, none, making 718 bales of cotton in the cotton warehouses of New York on the 30th day of September, 1907, that graded middling or above out of 138,484 bales that are receivable upon contract. Now, what was the number of bales below middling? Strict low middling, 2,212 bales; fully low middling, 8,857 bales; low middling, 22,782 bales. No grade of cotton good for delivery upon any contract upon the New York Exchange of a lower grade than that is wanted by spinners. Now, see what follows: Barely low middling, 30,848 bales; strict good ordinary, 27,554 bales; fully good ordinary, 9,318 bales; good ordinary, 6,772 bales; strict good middling tinged, 45 bales; strict middling tinged, 386 bales; middling tinged, 2,026 bales; strict low middling tinged, 8,476 bales; low middling tinged, 8,967 bales; strict good ordinary tinged, 3,190 bales; fully middling stained, 2,261 bales; middling stained, 2,028 bales; barely middling stained, 477 bales; strict low middling stained, 1,012 bales; fully low middling stained, 26 bales; low middling stained, 544 bales. This whole lot is certified as being deliverable upon New York contracts. Suppose my friend Mr. LOVERING here, who is a manufacturer of cotton goods, wanted 5,000 bales of cotton of middling basis, or within the grades two above and two below. Could he buy it in New York? Would he buy on contract in New York and accept delivery? No. Suppose you wanted 1,000 bales of middling and better. Could you get it out of this large hoard of 138,000 bales? No. What is the result?

The only cotton certificated here as being on hand is 7 bales of barely middling fair, which is 100 points or 1 cent higher than middling basis. The next amount is 15 strict good middling which is 75 points higher. The next is 1 bale of fully good middling 62 points higher, and the next is 23 barely good middling. The next is 37 strict middling. That is better than middling, and 35 good middling tinged, valued as middling. There is no cotton kept there as certificated cotton that is more than 1 cent or 100 points higher than the basis middling. Now, let us read the cotton in that list below any desirable grade and see the difference. There is barely low middling which is 125 points below or a cent and a quarter less—30,848 bales; strict good ordinary, 150 points below basis, 27,554, and so it goes on down until a grade, deliverable on contract is reached, which is 300 points below basis.

Where is the exporter or manufacturer who is going to New York to buy cotton of the grades certificated in these warehouses? I will tell you who buys these contracts; they are the "lamb." Let me tell you where the "lamb" live. A large percent of them live south of the Mason and Dixon line. They are always booming cotton. They are always bullish, to use a market phrase. The people who grow cotton in the South, the merchant who buys it, the banker who advances upon it, are always interested in maintaining the stability of the prices of this product. Therefore they reason the way they hope and see evidence that convinces them that cotton is going up that would not convince people who are not thus interested.

So all of us down South are hoping and praying and working for maintaining and sustaining better cotton prices. What is the result?

Literature goes down there advising us to buy futures. You can buy it for \$2 a bale margin, while the original margin is \$5 a bale. We reason why not buy a hundred bales of futures, instead of going out and working yourself half to death and

sweating your life out to make 10, 15, or 20 bales the way God told Adam to make it? What is the result? Literature floods the country advising us to buy fall contracts sent there by the professional operators. Our people, as a rule, do not know a thing about the operations of the New York or Liverpool cotton exchanges. They do not know that this stuff I have referred to above can be dumped on them. But they say, "Buy cotton." It is in the air; it is in the papers; it is everywhere, and the lambs march in and buy it. I knew a man once, whose hair was growing gray, in a little town in my district, that mortgaged his land to buy cotton contracts in New York City, about which he knew nothing under heaven, and was taking it on faith. That man's farm went, and he is left in poverty in his old age. The people of the South will not stand this any longer. There must be a change of contract grades upon the New York Cotton Exchange which will not ruin all those who are uninformed—in other words, the lambs who deal there. But where would they get their pickings if they did not have lambs? In order to popularize it and make it appear a legitimate business, they say the spinner who sells his goods far ahead buys a cotton future to protect him. He hedges, in other words. The hedging argument is used to make a fraudulent transaction respectable. I had it explained to me by a great exporter—but I will not call his name—last February. He said:

A man comes to me and he wants 1,000 bales of cotton for October delivery, or he writes me or wires me from Europe. He knows I am responsible. He knows if I sell to him he can hold me liable for the cotton or its value. I sell him 1,000 bales of cotton, to be delivered next fall when the cotton farmer is delivering his crop, when I know I can buy it. I have not got it now. I can not go out and buy 1,000 bales of cotton and put it in a warehouse and pay insurance and storage on it and lose the interest on the money. What do I do? I look at the price of October futures, and I sell him at the price enough above the October option in futures to enable me to make a profit on the transaction to cover interest, commission, etc., and at once buy 1,000 bales of October delivery as a hedge.

He would make a sale to the spinner of a thousand bales, to be delivered in October, and purchase 1,000 bales of October futures as a hedge, as a protection against the possible fluctuation of spot cotton. When the time comes I know that the farmers will have cotton to sell, far more than they can find a market for. Therefore I take no risk, and when I have bought my cotton in Texas, Mississippi, or Georgia and shipped to my foreign purchaser, I sell out my hedge.

Now, that is what he calls a hedge. I said to him—and the gentleman from Texas [Mr. BURLERSON] and, I think, the gentleman from Alabama, Mr. Bowie, were present—I said, "Mr. A, suppose that there were nobody but exporters doing that future business, who would buy your hedge when you offered it in October?" "Oh, why," he said, "of course, there is a broad market." I asked "Who makes it broad? You say you are in favor of legitimate business, pray tell me who will buy your October option when you have sold the October spot cotton?" "Oh, well, there is always a broad market in New York at some price. I may lose some on it, but I calculated on that in the beginning." I said to him, "If it was not for the speculative element, pure and simple, and you had no other opportunity to sell, except to exporters or spinners, could you operate that hedge?" He said, "No." So that the gambling operations in cotton causes the necessity for the hedge and furnishes the means of the hedge. That is called legitimate business. The legitimate feature of it could not last twenty minutes if the gambling element were eliminated by this or any other bill.

Mr. GAINES of Tennessee. Will my colleague tell the committee how many million more bales of cotton are sold than are actually raised?

Mr. SIMS. I stated that a very few minutes ago.

Mr. GAINES of Tennessee. I did not hear it.

Mr. SIMS. But I will repeat it. In the New York exchange you can deal only in cotton grown in the United States. With a crop of 13½ million bales actually grown in the United States there were sold on the New York exchange over 90,000,000 bales for the same year.

Mr. GAINES of Tennessee. Can not we shut them off from this gambling scheme by shutting them off from the use of the mails?

Mr. SIMS. That is the object of the Burler son bill.

Mr. CLARK of Missouri. I would like to make one statement that will broaden your statement. Of course, I do not know much about cotton, but they work this precise trick on every commodity grown. Now, you say that southern fellows naturally "bull" cotton. All the people in our section of the country naturally "bull" the corn market and the wheat market and the oat market, and all the rest of them, and they do just as you do, because they always bet the way they want it to go.

Mr. SIMS. I do not know about the operations of the grain exchange or board of trade in Chicago. They may have grades requiring the delivery of a good product which might not de-

press the price, but I am saying what the New York cotton exchange is doing with their present methods, forcing upon people what can not decently be called cotton as a delivery upon contracts as a part of their gambling transactions.

Mr. LOVERING. I hope the gentleman will make perfectly clear where he classes a transaction like this: A cotton spinner having some goods to be delivered in October buys a thousand bales of October cotton. He buys them where he can. He buys them of a man either in the cotton exchange or the man who grows it, to deliver through the cotton exchange a thousand bales at the prices given for October, and they want to see about what makes the price of October. He is the spinner, as in this case. When I buy a thousand bales from the cotton exchange to be delivered in October I do not expect to pay for it until October. That saves to me the warehouse charges and insurance, carriage, etc. Is it not a perfectly legitimate transaction for me to buy that cotton in that way and then by the time that October comes around I will call upon this man to deliver the cotton? If he can not deliver it to me, I sell those futures and buy a thousand bales of real cotton in the South. Will any such transaction as that affect the cotton market adversely in the South?

Mr. SIMS. I am glad the gentleman asked the question. Now, with all the people in the South bullish, and with the hedging of the kind you have just mentioned, the exporters are buying cotton for future delivery, buying futures; the cotton raiser and the cotton dealer in the South are also buying futures for fall delivery, and the gentleman from Massachusetts [Mr. LOVERING] has just illustrated a case to us. In the fall of the year, when there are millions more bales of actual cotton being delivered than there is any money to pay for, or any demand for, and almost hundreds of millions of futures dumped at the same time upon the market, you see what effect hedging has. It weighs upon the market in addition to the weight of actual cotton offered by the growers.

I want to say something a little bit further in that line. It is true that ultimately supply and demand will regulate the price, but the farmer in the South, the tenant, the merchant, the small banker, can not wait until "ultimately" for their money. They must sell on the immediate market, which is influenced by the cotton futures in New York. Those futures are quoted in every paper in the United States. Futures are quoted in New York from 10 o'clock on until 3 by wire. In the afternoon at 2 o'clock, after the great bulk of the future business is done for the day, they quote the price of "spots." How do they make them? There may be sometimes an actual sale of cotton to a spinner like my friend, and it is put down as a sale of spots. But any time you deliver any of that stuff on contracts, that my friend says has lain for five years in the warehouses, it is marked as a spot sale.

Mr. LOVERING. The gentleman knows there is never a bale of that hardly delivered. It is what is termed unspinnable cotton. It remains on the market, as the gentleman says, as a drug on the market, but if ever it is delivered, it is delivered with the differential in the cost. But that is neither here nor there. The gentleman has not yet explained that the transaction which I have suggested can not be adverse to the price of cotton in New York. The transaction which I have referred to is a necessary one, or I could not make a delivery of my goods in China or elsewhere next October, unless I know what I am going to get my cotton for. The gamblers may be in the New York Cotton Exchange, but the gentleman himself has admitted that they are all bullish in the South, and they are all gamblers in one direction, and they are just as reprehensible as the spinner or anybody else in New York who may be depressing the market.

Mr. SIMS. That is all true. Every word the gentleman says is true, but I am showing you the benefits to the country to be derived from the legislation proposed.

Mr. BURLERSON. I can answer that question, if the gentleman will permit me. He buys these thousand bales as a spinner, and has to hedge to protect himself against the fluctuation in the price of his raw material. This fluctuation we contend is caused by the gambling on the cotton exchanges, and if you remove the cause there will be no necessity for you to protect by hedging against this proposition.

Mr. LOVERING. I do not want the gentleman to understand that I am opposed to the features of this bill. Quite the contrary; only I do want it distinctly understood by the House that there is a transaction of that nature where a man legitimately hedges his sales and purchases.

Mr. BURLERSON. Under existing conditions it is necessary; but if you remove the conditions it will not be necessary, and the condition now is that this fluctuation is caused by gambling in this great product.

Mr. LOVERING. It is no more in New York than it is in the South.

Mr. BURLESON. I confess that.

Mr. FITZGERALD. Will the gentleman answer a question?

Mr. SIMS. I want to answer the other question now.

Mr. FITZGERALD. In connection with that, I should like to ask the gentleman to state whether it is not a fact that before the organization of the New York Cotton Exchange the fluctuations in cotton were much more violent than they are to-day.

Mr. SIMS. I will answer that question in the course of my remarks, if I can get time to finish my speech. The gentleman from Massachusetts stated a perfectly legitimate transaction under existing conditions, and he asks how does it affect the price of cotton in the market. I will show him. You may say because you have a thousand bales of futures to sell and want to buy a thousand bales of spots that the buying and the selling offset and neutralize each other.

Not at all, because they are not done simultaneously. When you buy 100 bales of spot cotton and sell 100 bales of futures, they might tend to neutralize the effect of both, if done at the same moment. But my friend buys 1,000 bales of spots and ships it. Then he sells the 1,000 bales of futures. The futures do not affect the price of the spot cotton he has bought; but by putting them on the market as a liquidation, as they call it, after he has purchased his spots, it does affect the price of all unsold cotton to that extent.

Mr. LOVERING. But the gentleman must acknowledge that the time comes when I actually take the 1,000 bales from the market.

Mr. SIMS. You take it, but you do not sell the future until after you have done it, and the future becomes a weight on the market.

I do not object to hedging if it could be done without the gambler, but the gambler has to furnish the means of hedging. My friend is a spinner and he has bought his 5,000 bales, and other spinners have bought their 5,000 bales, and they all get the spots in the fall to the extent they want them; but they do not buy a whole year's supply, and then they all dump their futures at once and the market goes to pieces as a result of selling out these hedges.

I will show you how the exporter operates. The exporter buys futures to cover sales he makes for future delivery. In the fall of the year if there is a short crop and actual cotton is going to be high and the speculative fever has taken hold of the lambs of the South and they put futures up, he will buy his spot cotton first. Why? It will sustain the market and furnish the cause for a further advance of futures, and after he has bought 5,000 or 10,000 bales then he turns loose his futures to us lambs at a profit over and above, perhaps, what he gave for the spot, because the purchase of the spot helps to keep the price up and supports the market for futures.

On the other hand, by selling out his hedge before he buys the spot the spots are depressed. He always wants to operate on futures so as to benefit by the transaction. If futures are lower than spots, he sells his futures out, so as to give a further downward tendency to the market, and buys spot cotton afterwards in a market depressed by his sale of futures.

Let me read you from a high authority. A few years ago the Agricultural Committee, of which the gentleman from Kansas [Mr. SCOTT] is now the distinguished chairman, but who was then a member of the committee, had a hearing on the question of Government reports on cotton crops and effects. In that hearing Mr. MacColl, chairman of the New England Cotton Manufacturers' Association, was one of the witnesses. While my question was not germane, I butted in through the kindness of the members of the committee. In asking questions I did it in a way that indicated that I was antagonistic to his position, in order that I might get a candid answer.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. SIMS. I would like fifteen minutes more.

Mr. MOON of Tennessee. I will yield to the gentleman fifteen minutes more.

Mr. SIMS. I asked Mr. MacColl this question. You will remember that Mr. MacColl is president of the New England Cotton Manufacturers' Association. He is a high authority on the actual cotton business, as high as there is in the world:

Mr. SIMS. I would like to have you define what you mean by the term "speculator."

Mr. MACCOLL. I think it is very well understood that there is a large number of people connected with the speculation in cotton, raising or depressing the price.

That is the business of the kind of speculator that he referred to.

Then I asked him:

Professional operators?

Mr. MACCOLL. Yes.

Mr. SIMS. I want to ask you if spinners do not buy and sell futures?

Mr. MACCOLL. Yes; they do to some extent.

Mr. SIMS. And to that extent are they not speculators to all intents and purposes?

Mr. MACCOLL. I think they are speculators in one sense of the word if they do that at all, but everybody is speculating in business to some extent.

Mr. SIMS. Then the spinner wants the future market all to himself, but he does not want the professional operator? He wants to exclude the professional operator?

Mr. MACCOLL. My opinion is that the spinners of this country have used the future market to a very small extent. Lately they have been forced to use it more, but they have not used it to any large extent in years gone by. There are thousands and thousands of manufacturers who have never bought a bale of futures.

Now, Mr. Chairman, there is the highest New England authority upon whether or not this future business is necessary to cotton manufacturers. My questions were along the line of antagonism.

Mr. GARRETT. In that connection, one of the grounds assigned to support the future dealing is that it is a benefit to the planter. Does not the gentleman know that there is not 1 per cent of the planters who ever buy a future?

Mr. SIMS. Why, of course, that is true. I will read further:

Mr. SIMS. Is it not a fact that the speculators are divided into bulls and bears, and that the effect of their operations is nil?

Mr. MACCOLL. If there is no evil about it, it is not worth while for us to waste time about it. We think it has been a tremendous evil in the last three or four years.

Now, Mr. Chairman, where is the man who is going to fly in the face of such authority and get up here and say that this business ought to be protected and that the mails should be made subservient to it? [Applause.] As far as the planter is concerned, to which my colleague refers, how many poor negro cotton raisers in the South can buy or sell a future or know anything about it? How many poor white cotton raisers in the South can buy or sell a future or know anything about it? How many cotton farmers make 100 bales of cotton? And you can not buy or sell less than that number of bales on any cotton exchange. The number of farmers or cotton producers who could avail themselves of the benefit, if there was any benefit in the cotton exchange, is very small, and on account of the number of bales necessary to be bought or sold in order to deal at all the number of farmers who could operate is rendered a negligible quantity, and need not be considered at all. But I said a while ago that many people in the South buy futures. First, in the bucket shops, because they sell less than 100 bales—down to 10, I believe. The bucket-shop keeper is the gambler at both ends of the line. He holds the stake of the man who operates with him and he does not put up anything against it. If you gamble in the cotton exchange, they make you put up your money with a responsible party, and the man with whom you gamble puts up his with a responsible party, and in this way you get the winnings if you win. Almost every legislature in the South has abolished the bucket shop and wire house. It can not in any way benefit the farmer.

But on the other hand, let us take the merchant, the lawyer, the banker, the man who has money enough to buy cotton on the cotton exchange, or to sell it. They go in without ever having studied these things and they buy their cotton contracts in New York, and the price may actually go up, and they think that it is going higher and that they will just buy a little more. They write to the broker in New York and ask how much money is needed to take this cotton, if tendered. The broker tells them, and when they are informed that they have potentially purchased a lot of stuff for which there is no demand and no practical use can be made of it, except to gamble with. What do they do? They sell out the cotton contract before the month of delivery arrives, take the brand of "lamb," and go home wiser and poorer men. The great operator on the cotton exchange who knows human nature knows our disposition, and so he floods the country with literature in the early part of the spring and summer to the effect that cotton is going to be high, and advises those who can to buy. What is the result? They buy October, December, and January cotton contracts, and when October, December, and January come around they are dumping on the market the contract cotton that these speculators sold them, and at the same time dumping their own labor-made field-grown cotton on the market. The weight of actual cotton depresses the price, and the weight of the futures bought by the lambs help to further depress it. Should we not protect these poor lambs, black and white, south and north, by denying the use of the mails, the telegraph, and the telephone for this kind of operation?

Mr. HUMPHREYS of Mississippi. We have the promise that will be done, and all who oppose it are going to get run over in this Congress.

Mr. SIMS. I hope so. It is said the law of supply and demand ultimately controls prices, but the trouble is that we get depressed before the ultimate period arrives, on account of intermediate manipulation. I knew a gentleman who was in New York one day in a broker's office in the month of August, when there was a large decline of futures—a heavy decline—75 or 80 points. Everybody was frightened and running to sell out, and before 2 o'clock came, the time when they report the price of spots, some man present said that spots would be marked down to-day. "What! Marked down?" The reply was, "Yes. Just look how futures have gone." When the time came to report the price of spot cotton what do you suppose it was? Spots were marked 60 points down by reason of decline in the future market. What else? At the same time in big letters was written on the board, "Sales, none." That has got to be almost the rule in the New York Cotton Exchange, "Spots, such and such a price; sales, none." Pray tell me how you can quote the spot price of a thing that was not sold. Go where you please, wherever men are dealing in actual cotton or futures the first thing they do in the morning is to call for and look at the newspapers. They read the market gossip. The next thing they put a telephone receiver to their ears and call up a broker and ask, "How did Liverpool open this morning?"

If Liverpool opens down, he hastens to his broker and gives an order to sell his contract at the market, and away goes his margin. If it opens up, he goes down and gives him an order to buy more. Futures control the price of that man's actual cotton and contracts, and that man's action based on same controls money and conditions. You will find the price of spot cotton thus arbitrarily made is telegraphed all over the United States, and the next day men buy spot cotton much lower on account of this arbitrarily fixed price. Suppose you are a spot buyer. You say that you will give ten and a half for a hundred bales of cotton to-morrow. You get a wire from your broker saying that futures went off forty points to-day. Do you buy that cotton to-morrow? No. Why? Because you do not know but that it will decline further; you know if futures decline further spots will follow, so you wait and wait and wait for no other reason under heaven than that the future markets are declining in New York. Now, I want to say this, Mr. Chairman and gentlemen of this House, that if there is any good growing out of the existence of the New York and New Orleans cotton exchanges, the evil caused by possible and actual operations on them is so much greater that it vastly overbalances the good, and the country can do without the little good in order to get rid of the great evil. I want to read you something; I want to show—

Mr. BURLERSON. Before the gentleman reads that I would like him to show the fluctuations during a given period.

Mr. SIMS. I have it right here, and I want to say that no man engaged in the actual cotton manufacturing business can contend with such things as I have here to show you and prosper. In the year 1903-4 there was a great speculation started by Mr. Sully, of New York. He was the bull leader, and at one time in the world's history the farmer got a part of the benefit of it. A very distinguished citizen of Texas, Governor Hogg, who has since died, made a speech and said he wanted the people of the South to support Brown, Hayne, and Sully, the redeemers of the cotton industry in the South. In the month of February the July option—that is, cotton for July delivery—in New York sold the first week as high as 17.55 cents per pound. In the same month, the week ending the 19th, the July option sold as low as 13.02 cents per pound, over twenty and a half dollars a bale fluctuation in that far-off month, in the same month of February of that year.

Mr. HUMPHREYS of Mississippi. What became of the legitimate hedger then?

Mr. SIMS. The hedger? Why he was up a tree.

Mr. BURLERSON. He went to the wall.

Mr. SIMS. Now, let us see what July future sold for in July of the same year. In July, the July future—the very first, or opening sales in July—sold as low as 10.18. From 17.55 in February there was a decline in the July option to 10.18 when sold in the first week in July. Show me where the purchaser or spinner can be benefited by that.

Mr. SCOTT. What was the spot price for July?

Mr. SIMS. I have not it here, but it is worth about forty points more than the future. Shortly after July sold for 17.55 in February Mr. Sully failed in New York, and cotton went to the dogs, as we call it. Futures tumbled down and spots went with them, though the supply was actually decreasing all the time. But what else? On account of that speculation spot cotton

was put up so high that many of the New England spinners closed their mills and stopped business.

Mr. HUMPHREYS of Mississippi. What was the difference per bale?

Mr. SIMS. Over \$37.50 per bale. The year before, called the "Brown and Hayne year," some of the bears who sold thought they could break the corner with the weight of actual cotton, and paid so high a price in New York that cotton was shipped back by the spinners to New York from Europe to deliver upon these contracts. Freight had been paid on these bales of cotton to the spinner in Europe and then repaid back because it was worth more to gamble with than to spin and manufacture.

The president of the New Orleans Cotton Exchange was talking to the gentleman from Texas [Mr. BURLERSON] and myself this winter about the Burlerston bill. I was complaining of the method of grading in New York. He, in a manner, by not denying what I said, acquiesced in it. I told him that I thought the gradings for delivery in New Orleans were better than in New York. He agreed with me. In the course of the conversation he spoke of a clique who, during a summer vacation in Colorado at some time in some former season, determined to go to New York and sell the market down regardless of supply and demand, and did so.

Let me read what this gentleman, Mr. Thompson, president of the New Orleans Cotton Exchange, says about operations upon the New York Cotton Exchange. He ought to be an authority, ought he not? It is from the Shreveport Journal, a newspaper published in Shreveport, La. He sent out a circular or letter to the cotton growers and farmers of Louisiana, Texas, and other places, and here is so much of it as appears in the newspaper I have mentioned:

A decline of \$6 per bale within less than a week represents a serious loss. The fact that values could be thus annihilated without any just or reasonable cause is a consideration of grave importance. A man may waste his property or lose it through ignorance or mistaken judgment; another pecuniary loss covers the injury. When one's property is taken from him by unexpected assault, he loses not only his property but his rights. It is therefore of the first importance that the agency inflicting such a loss be discovered and the remedy for the wrong be found and applied.

In order to break the market 113 points within less than a week, in spite of the fact that every legitimate influence was against such a decline, it has been necessary to sell a tremendous lot of cotton that is not in possession nor yet bought. These short contracts are still open and the market is largely oversold. Great profits on the contracts may be figured on paper, but these profits are unrealized as yet. In order that the profits may be realized the contracts must be liquidated—that is, the seller must either buy back his contracts or be able to buy the equivalent in spot cotton on the basis of the contract prices. . . . The holder of spot cotton has the key to the situation. . . . If the spot holder refuses to sell his cotton at 11 1/2 cents in the interior, then the seller of a contract at 12 cents will be in trouble, and so on up the line. Without the aid of speculation the producer has only himself to depend upon. It is a big contract, but he has in his hands the means wherewith he can defend his rights and right his wrongs. He can snatch victory from defeat.

He has but to refuse to accept the price, by manipulation fixed for him, and the triumph of the bear will be brief and the "fruits thereof will turn to ashes in his mouth." . . . But we do not believe the present prices are natural or legitimate. The brief experience we have had with the market this season, before speculation interfered, showed that consumers were willing to pay the prevailing prices and producers were willing to accept them. If business had been permitted to run in its natural course, probably the increased volume of receipts would have gradually lowered prices. This would have been a natural and acceptable result. But when an outside element that knows nothing about cotton and has no interest therein, except as a medium of gambling profits, arbitrarily interferes between producer and consumer and undertakes to fix prices by sheer force of money and manipulation, we believe in suspending the rules and striking with the weapon in hand. The producer has the weapon.

Mr. Chairman, will gentlemen who oppose the Burlerston bill, tell us what stronger proof can be demanded of the possibilities for evil afforded by the operations of persons in no way connected with actual cotton business upon the cotton exchanges of this country than is given by Mr. Thompson in the above article? Is it not conclusively shown by his statement just read that these exchanges are so conducted as to afford facilities for gambling and manipulation tenfold more ruinous than beneficial to the legitimate cotton industry of this country?

In the light of these disclosures, if we continue to permit the use of the mails in such a nefarious and ruinous business, do we not become parties to, if not participators in, these blighting and unholy transactions, and will we not be held responsible, and justly so, by our confiding constituents for the further continuance of such damnable operations when we have the power to end them?

Do you want to continue the use of the mails of the United States for men to do what Mr. Thompson says they were doing by the mere force of money? [Applause.]

Mr. OVERSTREET. Mr. Chairman, I yield thirty minutes to the gentleman from Indiana [Mr. CHANEY].

Mr. CHANEY. Mr. Chairman, like a great many others, I believed that when the destruction of the American industrial system was accomplished in 1894, and its consequent train of

disasters came upon us, if we should again establish the opportunities for endeavor through an equitable protective tariff, and, by appropriate legislation, insure the soundness of our circulating medium, panics would be impossible. Up to that time the financial integrity of our banking institutions was never questioned, and our great financiers were regarded as safe counselors and advisers. It was not supposed that the very fountains of credit would be poisoned by the reckless speculator, and that he would be permitted to crowd out the honest banker and convert the financial temple into a house of financial prostitution. Up to that time trust companies were regarded as the very essence of financial integrity and solid financial faith. No one then supposed that there could possibly be such faithless officers of a trust company as to gamble in trust funds. No one dreamed of an unholy combination of men to buy up the controlling stock in a chain of banks or to jeopardize in speculation a hundred millions of the money of their depositors. We had no idea that "green goods" bank directors would sit in the seats of the mighty men whose genius had made the United States the business wonder of the century.

Up to that time we had supposed the proper function of a bank in accepting deposits was to loan them out on satisfactory security, to be eventually returned to the depositors on demand. It was a thing beyond our comprehension that a national bank, with \$94,000,000 of deposits, should invest \$55,000,000 of those deposits in miscellaneous stocks and bonds. We made no calculation that safety deposit vaults were to be raided by speculative adventurers and that the officers of these institutions should engage in trading the deposits of their customers among themselves. Up to that time we supposed it to be the duty of the bank to keep the money for its depositors instead of keeping it from its depositors.

We were not acquainted with high finance when we concluded that, with an industrial system to prosper us and a sound dollar to assure us, we should go on everlastingly from one success to another.

Gamblers and speculators we have ever had, but we have, fortunately, heretofore kept them out of the seats of the mighty.

The foundation for this situation of the circulating medium of the country was laid at the time that the banks began to pay interest on their deposits. It would be well to go back to first principles in banking and see if it is in accordance with true banking principles to pay interest on deposits in any bank anywhere. There are many propositions before this House as to what rate of interest a bank should be permitted to pay. In my humble judgment, it is not proper to pay any interest at all; for it follows, as a matter of course, that the bank must place the money of its depositors where it may be able to get more interest than it pays its depositors and at the same time have a reserve on hand equal to the demands on the bank. It is therefore contrary to the ethics of banking to pay any interest at all. It was through this error in banking that the money of the western banks got into the Wall street banks, which caused the famine in money with which to move the crops in harvest time. Western banks paid interest to their depositors and, in order to make the interest they were bound for, sent their deposit money to the banks in New York, where speculation is the chief financial ambition and where high rates of interest may be obtained. To usury the western banks sacrificed their financial ability and business integrity. But for the obligation to pay interest to local depositors the money would not have gone East at all, except for purposes of exchange, and the money gamblers in New York would have had the panic all to themselves.

By draining the country of its cash by a higher rate of interest in Wall street than could be afforded elsewhere, and then refusing to pay it back on demand; by sacrificing bank securities to speculative ventures, thereby frightening every bank depositor and creditor, and by robbing the financial centers of all conservatism and business philosophy the financial speculators who gambled on other people's money produced the panic. Of money there was a plenty; of business there was an abundance; of work there was no limit.

We did not have to borrow money to pay the expenses of the Government or to maintain the gold reserve. The Government was not in financial distress. In its vaults were \$1,688,027,086.83. (See p. 3, Secretary's report, 1907.)

On the basis of existing laws, the estimate of total revenues for the fiscal year 1909, the money in sight is \$878,123,011.30. (See p. 8, same report.)

At the close of the fiscal year 1907 the money in circulation in the United States amounted to \$2,772,956,455, or a per capita of \$32.22 (p. 11, same report).

At the time of the panic, and since, the circulation is \$35 per capita.

At the close of the fiscal year 1907 the Treasury held in gold the sum of \$904,691,730.14 (same page). At the same time the Treasury held in silver \$77,001,368.

The available cash balance in the general fund at the close of the fiscal year 1907 was greater by \$91,372,090.65 than that of 1906 (p. 12, same report).

It was not a question, therefore, of a lack of money upon which to transact the necessary business of the country. It was simply our inability to get hold of that money on account of the manipulations of the circulating medium in the great financial center of New York. It therefore seems to me that the question raised by the panic is not a currency question at all, and the remedy for the question raised by the panic was that of devising some means by which we should stop the hoarding of money, take the scare out of the depositors in future, and enable them to bank their money with assurance that it would be forthcoming on demand.

Accordingly, on the 19th of December I introduced House bill H. R. 10526, looking to the security of depositors and creditors of national banks, and I believe that, so far as we can see the causes of this panic and the prospects of its recurrence, some such bill as mine would prevent any such panic in the future. I know there are some, and those among very worthy councilors of the nation, look upon such a scheme as that embraced in this bill as boyish and unworthy the serious consideration of the Congress. But let me tell you, there are a great many people in this country who will not be satisfied with financial legislation unless the plan adopted shall embrace some measure calculated to secure depositors in their money.

This plan of mine taxes the average deposits of national banks one-tenth of 1 per cent per annum, to be paid into the United States Treasury, to constitute a fund to secure individual depositors against loss by liquidation or failure of national banks, or from theft or peculation of officers or directors of the bank. It does not involve the Government in anything more than the collection of the money and as a trustee of the fund thus created.

By calculation it is found that such a tax would equal the amount of losses to depositors in the most disastrous year of our history, and would therefore meet the demands of the situation. Objection is urged to such a proposition, because the sound and substantial banks would thereby be made to stand good for the irresponsible banks. But when such a scheme should go into operation there would be no irresponsible banks, and there would be no more bank failures, for the plan would have the effect to secure honest men in all of the banks who would shun wild-catting and therefore bring about an honest and correct administration of all of the banks. Objection is urged against such a proposition by State banks and private banks and other financial institutions not authorized by this proposed law, but that could be readily obviated by postponing the operation and effect of the proposed law until the legislatures of the States have had opportunity to meet and provide for some security to depositors in these other financial institutions. This would therefore not give United States banks any advantage over State institutions. Moreover, it would not be an undesirable thing, if the currency legislation embraced in the so-called "Aldrich and Fowler bills" should be enacted into law, to convert all financial institutions into one harmonious plan under Government authority. The money of the country is national, and a national control of the circulating medium of the land would seem to harmonize with the business necessities of the country.

A good deal of sport has been made of this panic by our Democratic friends, who affect to believe that the tariff law is responsible for the same, or, if not responsible therefor, is at least impotent to prevent panic. Neither is the decalogue, and adherence thereto, a prevention of panic.

If I am right in what I have above expressed as to the real causes of the panic, the Dingley tariff law has no relation whatever to the panic, and that therefore this panic means no disparagement of Republican policies. Our Democratic friends have always chafed under the fact that with Grover Cleveland the second came a change in the industrial system of the country and the panic that lasted four years. As was well said by the gentleman from Pennsylvania [Mr. DALZELL] the other day:

The panic of 1893 came in with that Democratic Administration, stayed with that Administration, and went out with that Administration.

The issue of bonds of that Administration in a time of peace, to pay the actual running expenses of the Government, has always been a tender spot with our Democratic friends. They, therefore, naturally gloated over the fact that bonds were actually issued by the present Administration in a time of

peace, with no disturbance on the horizon anywhere, except Robley D. Evans's battle fleet encircling the Horn for San Francisco.

Now, let us look into the facts embraced in the issue of bonds in these two Administrations, and let us ask why money was borrowed by the present Administration through the issue of bonds? Mr. Roosevelt borrowed the money to supply the void created by the rape of the money of the depositors in New York banks and trust companies, and the consequent accidental and incidental contraction of the circulating medium in that great financial center. The Treasury was all right; the Dingley tariff was doing its duty all right; and the prosperity of the country was all right.

The Administration of Mr. Cleveland sold in bonds \$262,315,400—the first, \$134,000,000 at 5 per cent interest per annum, designated as the loan of 1894; and the residue at 4 per cent per annum, redeemable in 1925, which yet remains a debt against the country.

Mr. Roosevelt's Administration sold Panama Canal bonds at 2 per cent per annum, in the sum of \$54,631,980—\$30,000,000 in 1906, and \$24,000,000 last November, the money from which will be used in constructing the Panama Canal. And this Administration also issued certificates of indebtedness at 3 per cent per annum, payable in one year from November, 1907, in the sum of \$15,436,500, every dollar of which will be paid off before we get the election returns next November. These certificates of indebtedness were for the purpose of relieving the money stringency in the business affairs of the great financial center of New York. Not a dollar of it was needed to relieve the Treasury or to supply the necessities of the Government.

The Treasury was never before so plethoric and so sound. On the 26th day of this February the gold coin and bullion in the Treasury reached the sum of \$1,000,473,031.45—\$150,000,000 reserve fund, \$829,651,869 in the trust fund, and \$20,821,162.45 in the general fund.

The present Administration has something to show for the money borrowed, and will be able to account for every dollar of it in the financial management of the country, and will be able to hand over to the succeeding Administration a pocket-book bulging with money and securities equal to, if not in excess of, any other Government in the world.

Even after Mr. Cleveland had borrowed his \$262,000,000 he did not have on hand, to turn over to Mr. McKinley, March 4, 1897, but \$131,000,000; and instead of 5 per cents and 4 per cents, our bonds are threes and twos.

It was never claimed for the Dingley tariff that it would save everyone's door against the thief, a bit more than that the Church of Christ will keep all men out of hades.

There is therefore a vast difference in the issue of bonds under the present Administration from the issue of bonds under Mr. Cleveland's Administration.

Moreover, \$15,000,000 is less than 6 per cent of \$262,000,000, and therefore the Democratic panic on the basis of mathematical comparison is fifteen times as great as the Republican panic.

This Republican panic lasted three months, the Democratic panic lasted forty-eight months, just sixteen times longer than the Republican panic. The panic is over now, and the country will soon be over the panic.

Already the wheels which hesitated a few days have begun to turn. Business has discovered the culprit, branded him as a gambler who invaded the sacred precincts where he does not belong, driven him from the temple with lashes of public indignation, and prosperity has come back into its own with a more vigilant eye to educate and bless the country made great and strong by those eminent Republicans—Lincoln, Seward, Stanton, Grant, John Sherman, James A. Garfield, James G. Blaine, Benjamin Harrison, John Hay, William McKinley, and Theodore Roosevelt.

When the panic came business men stopped to take a long breath, investors hesitated to make sure, shippers waited a day longer to study the situation, and there was curtailment of orders here and there which, for the time, threw many out of employment. Railroads, having been cursed out of their senses, stopped many improvements and extensions until their wits returned. Now that we are sure that Rockefeller will never get to heaven and that everybody who damns him will, we are settling down to business, have oiled up the spindles of the prosperity wagon, and we are on our way.

LINTON PRIDES ITSELF ON INDUSTRIAL ACTIVITY—MINERS BUSY AND NEXT PAY DAY WILL SEE \$100,000 DISBURSED BY THE OPERATORS.

LINTON, IND., February 24, 1908.

It begins to look as if the city were shaping itself for a substantial boom, promising to exceed the one of 1903 in lasting benefits. During the recent financial stringency many miners left the city in search of work, but they returned a few weeks later, satisfied that conditions were better here than elsewhere. During their absence work improved, and this has continued until now the miners are enjoying better times for

this season of the year than they have for several years. Last pay day saw \$75,000 distributed, and next Tuesday it is expected that \$100,000 will be distributed. This represents but two weeks' work, while several thousand dollars are paid out monthly for other work.

The rolling mill, which recently resumed operations, is employing 150 men. The mill has worked both a day and a night force, and the management expects similar conditions to prevail all summer. Within the next ten days work on a sanitary sewer system, to cost \$100,000, will begin, which will employ 150 men for three months, indicating that laborers will soon be in demand here.

A recent test of the Linton coal shows that it makes splendid foundry and domestic coke. The large ovens are nearly completed at the Black Creek mine, which will consume the entire output of the mine. About the 1st of May work will begin on the Carnegie library building, to cost \$15,000.

Three years ago owners of rental property had many vacant homes at this time of the year, but now there is not a vacant house in the city, and there will be none during the year. Real estate men report a good demand for investment purposes. This city enjoys the reputation of more miners owning their homes than in any other mining town in the country. Within a short time it is believed that it will be as difficult to find a miner not owning his home as it was a few years ago to find one who did.

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

Mr. CHANEY. Surely.

Mr. PADGETT. I understood the gentleman a while ago to say that the recent panic had lasted three months.

Mr. CHANEY. Yes; I did.

Mr. PADGETT. Now, I rise simply to ask him to please give us the exact date at which it terminated, as a great many people in my country labor under the delusion that it is still on.

Mr. CHANEY. They are mistaken.

Mr. PADGETT. Will the gentleman tell us on what day the panic terminated?

Mr. CHANEY. It ended in three months from the time it started in.

Mr. PADGETT. Now, I would like to ask the gentleman a further question. How does he account for the fact that there are so many people throughout the country that are still out of employment?

Mr. CHANEY. I account for that fact because of the necessity of people making their arrangements, now that they have satisfied the money center of New York, in getting the money with which to continue business.

Mr. GAINES of Tennessee. I would like to ask the gentleman now why it was that the banks closed down, and if the banks that closed down have opened up?

Mr. CHANEY. I did not quite catch the gentleman's question.

Mr. GAINES of Tennessee. I asked the gentleman why the national banks, and the State banks as well, shut down and quit paying the people their money and, if they have stopped doing that, when did they do it?

Mr. CHANEY. In the first place the gentleman's question assumes a thing which is wide of the facts.

Mr. GAINES of Tennessee. Did the banks shut down in Indiana?

Mr. CHANEY. The State banks did not break down.

Mr. GAINES of Tennessee. I did not say break down; I said shut off the payments.

Mr. CHANEY. The State banks limited checks in some instances, so far as they were limited by the banks of New York that operated in that kind of speculation which had their money.

Mr. GAINES of Tennessee. Well, now, the national banks shut down, too.

Mr. CHANEY. The national banks so far as they were interfered with by that crowd, of which there are fifty-seven varieties in New York.

Mr. GAINES of Tennessee. Does the gentleman mean to say that every national bank that shut down was gambling in Wall street?

Mr. CHANEY. Every one that was affected by the gambling in Wall street limited payments on checks.

Mr. GAINES of Tennessee. How many were affected?

Mr. CHANEY. Not many of them.

Mr. GAINES of Tennessee. Were not the banks all over the United States affected?

Mr. CHANEY. Well, not all over the United States; here and there, however. It did not affect a single bank in my town.

Mr. GAINES of Tennessee. Did they continue to pay out the depositors' money to them?

Mr. CHANEY. They paid out the money to depositors when they called for it without limit or question.

Mr. GAINES of Tennessee. Without limiting the amount?

Mr. CHANEY. They did not limit the amount in any instance.

Mr. GAINES of Tennessee. I understand that they did that in Richmond and in Chattanooga; but they did not do that in Nashville, and they did not do it in Memphis, or in Louisville, or in Cincinnati, or Baltimore, or St. Louis, and they did not

do it in New York; and these banks—that is, the New York banks, at least—affected the banks all over the United States, as a rule. Now, does the gentleman admit, or does he mean to state, that those banks that shut down were gambling in Wall street?

Mr. CHANEY. I do not mean to say that, and did not say it; but I do say that every bank that limited the amount of its payments limited them because of the interference with the ordinary business caused by the men who gambled in New York; not from any fault of their own.

Mr. GAINES of Tennessee. Does the gentleman know who those men were?

Mr. CHANEY. Oh, yes.

Mr. GAINES of Tennessee. Will the gentleman tell me, then, who they are?

Mr. CHANEY. No, sir; I will not tell who they are. This is no place to do that.

Mr. GAINES of Tennessee. I introduced a resolution pretty early in the session to find out who they were or the cause of the panic and the shutting down of the banks and never have been able to get a report. If we had that we would all of us know. I am very glad that one Member has that knowledge.

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

Mr. CHANEY. Certainly.

Mr. WEISSE. A minute ago the gentleman stated that the panic lasted about six weeks and the panic of 1893 lasted at least a year?

Mr. CHANEY. You are mistaken about the time that I said. I said it lasted about three months.

Mr. WEISSE. I would like the gentleman to explain to this House why the total failures in the United States have been greater in 1908 than in any other year in the history of the country. Bradstreet reports the failures in the United States in 1908 are greater than they have ever been before in the history of the country.

Mr. CHANEY. I have not seen the report of Bradstreet, but I take it that Bradstreet's is too correct an agency to make any such report.

Mr. WEISSE. If the gentleman will allow me, I will get him the report if he will insert it in his remarks.

Mr. CHANEY. I will allow the gentleman to make his speech in his own way and in his own time. [Laughter.] I think I can make mine, and he can make his own when he comes to it.

Mr. WILLETT. I will ask the gentleman if he does not consider that the large numbers of men now unemployed is one of the elements of the panic?

Mr. CHANEY. It is not one of the elements of the panic, but simply one of the results of the panic.

Mr. WILLETT. So, then, the gentleman will have us to understand when he says that the panic ceased in three months after its inception or beginning—he would have us to believe that the panic itself is separate and apart from the results, and that we are now experiencing the results?

Mr. CHANEY. I do not know what you are doing in New York, but it is very largely over even there.

Mr. WILLETT. If you mean to deceive us—

Mr. CHANEY. I mean you to understand that I said that the panic is over and we will soon be over the panic.

Mr. WILLETT. That does not mean anything to me unless you connect the panic with results. A panic means nothing except we have that. We could go on having panics and have no results, but it is the panic and the results of the panic that are affecting the people of this country, and that is what we are talking about.

Now, if you do not mean the effect of the panic upon the people, why do you not say so, and say that the results are still upon us and we are still suffering from them, but that the cause has ceased?

Mr. CHANEY. I thought I had said something like that for the benefit of the gentleman. I simply said that the panic is over. There are a few places here and there where the effects of that panic will be felt until people can adjust themselves to the conditions and get business going again.

Mr. WILLETT. And you as a Member of this House would stand up in front of the bread line in New York City, where thousands of men every night are trying to get stale bread, and tell them, "Gentlemen, the panic is over." Is that what you mean?

Mr. CHANEY. No; I would not go to New York at all, because we are very much afraid of that place. [Laughter.] New York has been too much of the universe already for the good of the country.

Mr. WILLETT. You do not have to go to New York. You can go to any large city.

Mr. CHANEY. New York is a law unto itself. It creates panics and it must take the results of those panics.

I want to say to you now that we have always the poor with us, and New York always furnishes a good share of them.

Mr. WILLETT. But the condition in New York to-day is such as has never been seen in its history before.

Mr. CHANEY. I do not know about that. It has often complained.

Mr. WILLETT. That is what I want to find out, whether you know about it.

Mr. CHANEY. Anybody has but to go there and look and he can see it any year. It is no new thing for New York.

Mr. WILLETT. I simply wanted to ascertain if you knew something about the results of the panic when you said the panic was over three months after it began.

Mr. CHANEY. I am thoroughly acquainted with it.

Mr. WEISSE. The gentleman made one statement, or he tried to insinuate, that I rejoiced in this panic.

Mr. CHANEY. I did not mean the gentleman individually at all.

Mr. WEISSE. I wish to state to the gentleman that I am in the manufacturing business, and I am not rejoicing at the great losses that we have had from this panic. My interest in politics is not as great as my interest in the business of this country.

Mr. CHANEY. I did not mean the gentleman at all, unless he is responsible for the Democratic party.

Mr. WEISSE. But I want to tell you that the failures were greater than they ever were before in the history of this country.

Mr. CHANEY. That is a remarkable statement.

The CHAIRMAN. The time of the gentleman has expired.

Mr. OVERSTREET. I yield ten minutes more to the gentleman from Indiana.

Mr. CHANEY. Now, in view of what has occurred on the other side, I want to tell Republicans over here that it is time for them to take heart. You know we have had a great deal of talk about panics and strikes, and the like, and I want to tell you the difference there is between a Republican strike and a Democratic strike. A Republican strike is where a man strikes for a larger loaf. A Democratic strike is where a man strikes because he gets no loaf at all. There is a vast difference between a Republican panic and a Democratic panic. A Republican panic is where you get the worst of it by letting a high-wayman get hold of your pocketbook, on the theory that he will return it to you. A Democratic panic is where you have no use for a pocketbook at all, because you are strapped all the time. [Laughter and applause on the Republican side.]

Mr. WEISSE. Will the gentleman allow a question?

Mr. CHANEY. I have only ten minutes, my friend.

The CHAIRMAN. The gentleman declines to yield.

Mr. CHANEY. Now, I say we ought to be ashamed of ourselves that this panic occurred at all, and I want our financial men west of the Alleghany Mountains hereafter to keep their money at home and not let it go East where these speculators and gamblers may get hold of it. But if this panic, which is as sweet a Democratic morsel as possible, is the only thunder that can be turned against us in the coming campaign, it will be hardly enough to substitute the crown of thorns and the cross of gold just yet.

Mr. GAINES of Tennessee. Will my friend allow me to ask him one question?

Mr. CHANEY. Excuse me, I would be delighted to do it, but I have only ten minutes.

Mr. GAINES of Tennessee. I am listening to the gentleman's speech.

Mr. CHANEY. My Democratic friend from Missouri [Mr. CLARK], with nothing but this Republican panic to battle with, puts on his knightly shield and hurls his lance at such a distance from the election as to fall short of the Republican battle line, where it loses itself in the foxtail grass in which the Democratic party has been browsing for the last decade.

He says that every son of us who is here by less than 2,000 majority is his "meat"—and this is the meat on which this Cæsar feeds. Now, I never got but 1,500 majority in my most abundant victory, and he has thus singled me out for defeat. And it may be, Mr. Chairman, that the gentleman from Missouri is the son of a prophet. It may be that defeat will become the unwelcome truth; but I want to say that when my opponent has won his fight next November he will also be fighting mighty hard for breath.

Sooner or later it will be necessary for a more comprehensive scheme of money circulation than we now have. Indeed, it is possible that had there been opportunity for the issue of some sort of emergency currency at the incipency of the late panic,

however doubtful it may have been in bridging over the mistakes made in the field of finance in New York City, it would have tided us over the difficulty. Our present financial scheme is based upon the United States debt, and this plan, so far as the Government is concerned, is such that it can not provide for a circulation based upon this debt in an amount in excess of this debt. Some other basis, therefore, for the currency than that of the Government debt must sooner or later be adopted.

In the consideration of a financial scheme it is necessary that we should take into account certain fundamental principles in whatever plan shall be adopted. Whatever is done should be done with a view to a practical and enduring currency scheme. If anything more is to be done than to provide for the assurance of depositors that their money is henceforth to be safe and secure when deposited in the banks, we should strive for something more than a temporary expedient. As hereinbefore said, the panic embraced at no time of its continuance a currency question. There was no need of any legislation or Treasury action, and there is none now *because of any lack of money in the country*. There is, and has all the time been, plenty of money—the money hid away because the owners of it were afraid of the banks.

The emergency currency, so called, is somewhat vague. A small sum of real money will do a vast amount of business. Business nowadays is usually done through check, and a rapid interchange of checks and bank balances through clearing-house provisions renders very small the actual amount of money, indeed, compared with the number and amount of the transactions involved.

I know a man who in one hay season transacted \$95,000 worth of business on a capital of \$5,000. He bought his hay and sold his hay generally by check, and in the activity of his purchases and sales he needed and used but \$5,000.

In places, however, more money is needed at one time than at other times, and throughout the country there are times when more money is demanded than at other times. But I submit that there is no time when money needs be or should be authorized beyond the security of gold reserves. There must be a community of interest among the banks. They must act together to sustain their own credit and the credit of their depositors. They must protect themselves, and they must protect their depositors. Sound commercial paper is always backed by gold, and gold is the fundamental thing in the banking business.

As the issue of paper money increases so the gold reserves must increase, or you are on the way to inflation. The Government fiat is not money and never can be. It matters not by what cloak it may be covered, money is not made by law and can not be; money is made by labor. The Government is a power, but it is not the divinity which makes something out of nothing.

As before stated, our present system of currency rests upon Government bonds. It is illogical, for sooner or later the debt will be paid, and then the currency must fail. The Government debt is already too small to provide for the necessary currency of the country, according to all financiers. The business developments of the future are sure to become so great that the national banks will be deprived of the opportunity to obtain adequate circulating medium because of the lack of bonds upon which to base the same. As one writer has it, the business of the country has grown and the demands for more money has increased, but the power of the banks to meet these requirements is curtailed by the vanishing debt.

From statistics at the Treasury Department the outstanding Government bonds at the end of the last fiscal year equaled \$925,159,200, of which the national banks held \$524,036,980 to secure circulation, \$97,171,590 to secure United States deposits, and \$12,678,858 to secure other deposits; and there were \$7,588,150 in bonds then on hand, making a total of \$641,475,568 altogether. This would leave of the bonds outstanding but \$283,683,631 in other hands than the national banks.

The capital of national banks August 22, 1907, amounted to \$896,451,314, and therefore within a little over \$28,000,000 of the entire bond issue of the United States. It is therefore plain that there must sooner or later be some other basis for circulation than Government bonds, or the circulating medium must cease to equal the demands of business, supposing that business will continue to grow.

There are various opinions as to what plan shall be adopted in the future. There are those who believe that there ought to be one great central bank, from which all the paper money of the country shall issue. There are others who believe that the Government itself, from the Treasury Department, should issue, on one basis or another, all the paper money of the Government and wipe out the national banks altogether. There are

still others who believe that individual banks should be authorized to issue paper money upon such securities as might be accepted by conservative business men.

I was somewhat interested in the speech of the gentleman from North Dakota [Mr. GRONNA] the other day, wherein he argued that authority to issue credit currency be given to individual banks, and he gave us a striking instance of confidence in the banking system of Canada. In the instance he cited there was a liquidation by a certain bank, and there were no excited depositors standing in a long line to get their money *because* they had all confidence in the banking system of Canada. He must not forget, however, that sauce for the goose is not always sauce for the gander. There are different conditions in different places. A system of currency for Canada would hardly meet the necessities of a system of currency for the United States. The gentleman must not forget that there are but thirty-five banks in Canada, with aggregate note issues of never more than \$75,000,000, whereas in the United States there are 6,500 issuing banks with outstanding notes aggregating \$600,000,000.

The business territory of Canada does not stretch from the center of the Atlantic Ocean on the east to the farther side of the Pacific Ocean on the west. The business geography of Canada does not extend through 49 degrees of latitude.

Scotland has also been cited as an example for the United States currency, with its eleven banks whose aggregate note issues rarely equal \$50,000,000. The speculative activity and business demands of the United States, with its great expanse of territory, could not be satisfied with what might fit Canada or Scotland.

Another thing we must never forget, namely, that bank notes must be convertible into money on demand, and that holders of such notes must count on their redemption in gold on demand. Any scheme of finance which loses sight of these principles can never be adopted with safety in the United States. Any scheme which fails to observe the same is a makeshift, and only postpones the day for a suitable currency through years of doubt and uncertainty.

The bill (S. 3023) of the Senate Finance Committee proposes to merely amend the present banking laws of the United States, and the bill of the House Committee on Banking and Currency (H. R. 12677) proposes a new scheme of finance altogether.

I favor the latter bill for two reasons, first, it protects depositors, and, second, it looks to a permanent plan of adequate note circulation based upon gold.

* The Senate bill does not look to a permanent financial system, but proposes an arrangement which may be depended upon for a few years.

In his very able speech in the Senate recently, Senator ARDRECH said that—

If, in the panic through which we have just passed, there had been any distrust of the value of any of the forms of our currency, or if any doubt had existed of their immediate convertibility into gold or its equivalent, or if the redemption of national bank notes had depended upon the ability of the national banks to pay them on demand, a fatal crash would have been inevitable.

And everybody agrees with him.

This being true, the question raised by the panic is not a currency question at all. Purely and simply, it is a question of keeping that currency in circulation.

Indeed, in the very next sentence the honorable Senator admits that it was not a currency panic.

The honorable Senator also admits, on page 4 of the pamphlet containing his address, that—

Our currency, prior to the crisis, was adequate *in amount* to meet all legitimate demands under normal conditions.

This completes the case that there is abundance of money if we will but secure its circulation. Just assure the depositor that his money is safe in bank and he will not put it away in secret receptacles at home. The money in the hands of the people independent of the banks is \$19.36 per capita, and equals \$13,000,000,000.

The reserve money held by the banks equaled eleven hundred and six thousand millions in 1907.

The panicky conditions in New York, therefore, arose because of something else than our currency system.

If the Senator wants to prevent panicky conditions in the future, he should require bankers to do a banking business and make them quit trying to beat all the speculators and gamblers on an easy thing.

The Senator says that the serious defect of our monetary system "is the fact that we have no means whatever for providing the additional issues necessary to meet or to prevent panic conditions."

Well, there is no monetary system on the earth or in the

earth devised or that may be devised that would keep that New York crowd supplied with money at all times. [Laughter and applause.] For ten years Wall street has been impotent in finance, and frequently has had to call on the Secretary of the Treasury to save their financiers from themselves.

It is about time to extend the financial horizon beyond the Allegheny Mountains and take counsel of financiers who are able at all times to walk alone.

Just so long as we take our financial reckonings from Wall street just so long we will be in uncertainty and doubt. Over there they go upon the theory that one man can only make money by cheating somebody else. Out my way we believe that the correct bargain makes money for both the parties to the bargain. Out our way we never pledge a commodity to one man and sell it to another.

Another thing, I do not think the monetary conditions can be improved at any time by vitalizing the once inflated bonds of any character or kind through making them the basis of paper-money circulation.

Wall street has a large majority of conservative and correct business men, but apparently the majority has ceased to rule in that great financial street. Wall street needs a Sunday school. If such men as Henry Clews want to drive out "political dementia," as they style the antipathy to Wall street, they should assert themselves by purging their financial establishments of financial highwaymen who have unsettled the depths of credit. In fact a little integrity in the banking business will wholly relieve us of the fear of panic and render any financial legislation unnecessary in this year of grace 1908.

As a makeshift for the next few years the Senate bill is all right, and Senator ALDRICH's speech is altogether right; and it may be true that we can not afford to go into a radical change in our financial system at this time; and it may be true also that if we will just help out Wall street every time it gambles away its money and our money, we can bridge over financial crises for several years to come.

Senator ALDRICH claims for his bill that it "will prevent panics and furnish the means of relieving panic conditions;" and I believe it will, if you can raise enough money in this way to keep the New York speculators provided with cash. If the Senator has the capacity to conceive of the capacity of the high financier when he starts out to do his best, he may be able to enlarge the money presses to equal that demand. [Laughter.] I would be willing to risk his judgment on a question of that kind, for he is usually accurate on his estimates in troublesome situations.

I would like, however, to be convinced upon a collateral question involved in his proposition to make railroad bonds and the like the basis of his note circulation, namely: Will not there be a great rush of certain railroads from one side of the country to the other to have their particular bonds preferred for this special note circulation? And will not the railroad company whose bonds are preferred for this note issue be enhanced in importance and its bonds increased in value because of this preference? And will not the Government be put to the necessity of taking over the railroad, if it should go into the hands of a receiver, in order to maintain the parity of the notes issued on its bonds? If these questions have any answers, had we not better go into the railroad business in dead earnest, go in debt for the price of the railroad? And then we shall have a bonded indebtedness sufficient to satisfy the greatest possible note circulation on the debt which will be sure to run to "kingdom come."

I can answer the above questions for myself without the least hesitation, and there are not many bankers or business men living toward the western horizon but will answer these questions as I do. The Carribean Sea is said to be always in trouble, and with such a financial scheme as this we should be tossed about with waves running mountain high and a buccaneer on every wave.

If, Mr. Chairman, we are going to do more than secure the depositors in the banks at this session of Congress, let us undertake a comprehensive view of the situation and adopt a plan which will forever fix the currency of the future. As at present advised, Mr. FOWLER's bill seems to point the way. Mr. FOWLER claims for his bill that it will—

"Unify the banking interests of the United States; secure a uniform and adequate reserve in gold coin to prove all bank credits and thereby protect the interests of all depositors; establish a scientific and simple monetary system; give the country a true credit currency system by which current credits will always increase and decrease in strict accordance with the demands of business; give to laborers, farmers, producers, manufacturers, and merchants, and to all others having bank accounts the right to have their credits in the form which will

best serve their needs; give to the masses of the people just as economical and cheap credits as the rich and powerful have; establish a currency based on the products of labor and redeemable in gold coin; give to producers and merchants the opportunity to coin their commodities into the currency which the banks will be compelled to redeem in gold coin; establish in the United States Treasury a fund of approximately \$700,000,000 to guarantee the redemption of these notes in gold coin and protect all depositors of national banks, thereby preventing panics and stopping the hoarding of money; completely divorce the operations of the United States Treasury from the trade and commerce of the country, and thereby prevent their continuance as a disturbing factor in business."

And if we can not undertake this comprehensive scheme of finance at this time, let us secure bank deposits now and abide our time to evolve a permanent and practical monetary system.

The State banks and the private banks of the country need not object to national banks being thus endowed, for we can postpone the operation of this national law until the legislatures of the respective States have had opportunity to meet and pass suitable legislation to secure depositors in the various State financial institutions. [Loud applause.]

Mr. OVERSTREET. Mr. Chairman, I now yield thirty minutes to the gentleman from Minnesota [Mr. LINDBERGH].

Mr. LINDBERGH. Mr. Chairman, as a new Member a part of what I say may be considered in the nature of inquiry. It has appeared that this House has a lot of detail work that in a considerable measure impedes the efficiency of the main work. Of course I am not criticising the spectacular political talk, for I realize that human nature will vent itself when there is sufficient motive.

It is observable that there is an immense number of private bills, a great many of which are of a character that could be regulated by general law. Authority to construct bridges across navigable streams under ordinary circumstances could be covered by one general act that would be more adjustable to the people's immediate needs and relieve this body of the necessity of passing an act for each bridge. The purchasing of sites for and the construction of Government buildings for post-offices could be incorporated into a general act that would be impartial in its operations, so as to have that Department regulated by the amount of business in any town.

Of course in some particular cases special acts are necessary to apply to special conditions; but anyone may examine the bills introduced in this House and they will see that most of them are in the nature of special legislation to secure objects that could be more impartially worked out under fixed general laws. These facts are not mentioned because of too great a tax upon the energy of Congressmen; that is of secondary concern. The real importance is to give all people and all places the same advantages under like conditions—favoritism to none, justice to all. Whenever a need exists that exerts itself by certain well-defined conditions that are natural to arise there should be general acts that respond simultaneously to the need. In most cases special legislation is a kind of favoritism.

Whether or not a committee could be created to investigate and report on the subject of doing away with special legislation on all matters that may be properly brought within general rules of law is worthy of thought. It is not necessary to define, even if I could, the subjects that could be covered by general legislation that are now being taken care of by thousands of special bills. The principle is all that I inquire into at this time. I do not claim to know these things; I am throwing out the inquiry merely.

So much has been said upon the questions of general importance that the records are overcumbersome. I have some hesitancy in aggravating the situation; but if there is anything unsaid that one wants to say, it is justified if it is in the interest of a district whose demands are consistent with the general good of the great commonwealth.

In my district there is a well-defined impression that the problems requiring early and active attention are finance, tariff, and reasonable regulation of transportation. There is a positive sentiment that transportation should be so regulated as to prevent discrimination for or against person or place. This is considered even more important than the fixing of the rates. On the tariff question there is a determined sentiment that there should be an immediate revision downward. There is some impatience with the dilatory practice in the passing of such laws as will respond to the common needs. There is a feeling that too much time is taken up with special legislation that looks after the interest of the few with a seeming neglect of those questions that affect all the people. These questions are all broad.

At this time I confine my further remarks to the financial

question. I have heard discussed on the floor of this House and I have read and studied several of the bills introduced on this subject. I get the impression that some of their authors are not taking into consideration the actual conditions that develop with an expanding business and the reverse conditions that take place in a contracting business, and this leads me to make a few remarks on first principles, leading up to actual practice.

I think before I get through I will demonstrate that our late panic has no relation with political party or parties, and I think, further, that it can be clearly demonstrated to any impartial, observing mind that the acts of President Roosevelt in checking up and calling to account the evil practices of some of the corporations have saved the country from a far greater panic that would have soon taken place if these concerns had been permitted to go on uninterrupted in laying their foundations to sap the substance and appropriate the energy of the well-meaning and law-abiding people.

Unfortunately a large number of people who are innocent of any knowledge of unlawful acts of some of these corporations invested in their stocks. Our sympathies are naturally with them, but the whole question has a broader aspect; it goes to the foundation of our social institutions and this is by far the over-important consideration. The interest of these investors, who are few in comparison with the great body of people, must be subordinate to the general good. There is no vested right in the holders of stocks to have the value of those stocks maintained in spite of the evil practices of the corporation management, and if the question arises under such circumstances, where there is a conflict in the interest of the commonwealth with a limited number of stockholders, the commonwealth interest must prevail. The investment in stocks is not such an innocent undertaking as to require the protection that we would expect for children going to school. When an investor takes his money and hands it over and receives a certificate of stock in return, the burden should be upon him to see the he gets value for his investment. If he has placed his money in the hands of sharks it is hardly consistent with the interests of the common people for them to bear his burdens for his misjudgment. In other words, when a party buys stocks let him take all the chances of the investment and not saddle any part of it on the public who has taken no part in it.

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

Mr. LINDBERGH. I have such a short time I will desire to use it all.

If in the last two years we had had a President who would have been satisfied to let things run along to the satisfaction of the corporate interests referred to, it is certain that these interests would have undermined our institutions. They would have concealed their evil practices and kept the general public ignorant up to the present time, and probably for some little time to come, but it is absolutely certain that if they could have had their way they would have worked up a still greater bull market, until the conditions were ripe to produce a panic of their own plan, when they would have been ready to get out from under and let all the losses fall upon the common people, whereas in the present panic, which came before they were quite ready, the losses have been sustained by the rich to a far greater extent than has occurred in any previous panic, and for this relief the people have to thank Theodore Roosevelt.

A condition had developed that created a general feeling among old and young that independence and success were no longer copartners. It is only a short time since the young man starting out in life understood that things had come to such a state that for him to reach any high goal he would have to combine with those in power, irrespective of moral considerations, in order to obtain any desired end. He felt that uninterrupted expression of high and clean thoughts might disqualify him for the favor of those in control.

To no small extent were the youth of our land smothered in the development of high ideals, in their knowledge that business success in so many cases followed schemes and trickery. Some one had to come forward as an example of moral and truthful independence and succeed on that example. There was a man equal to the emergency, and the thanks of the country are due to that man to-day that in every little hamlet are independent thinkers and speakers, and morality is again at a premium in the minds of our young people. The greater panic that would have come from under the influence and guidance of the special interests, if it had awaited their time, is averted. Even if these interests, that are so sore with the President, were stating the truth when they say the President's public, open expressions contributed to the panic, I would nevertheless be satisfied in the fact that it was precipitated at a time when

they had to bear a heavy part of the burdens, instead of saddling all on the common people. Their big game of being ready for every panic went amiss in this last panic.

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

Mr. LINDBERGH. I have so little time—

Mr. WILLETT. I just want to ask one question of the gentleman from Minnesota.

Mr. LINDBERGH. It is the only time I may speak this year and I have only a few minutes, and I am sorry I can not do so. Mr. Chairman, I can not yield now in the short time I have—

Mr. WEISSE. I yield two minutes to the gentleman.

Mr. WILLETT. The gentleman has yielded two minutes of his time for that purpose.

Mr. OVERSTREET. The gentleman has no time to yield.

The CHAIRMAN. And has not been recognized by the Chair. The gentleman from Minnesota is entitled to the floor.

Mr. LINDBERGH. Passing these general considerations and taking up a more minute consideration of the situation, I make the statement that panics are more likely to occur in the most highly developed systems of credit. In a country like ours there is the greatest progress, and the tendency is to take the maximum of risk, which is constantly stimulated by maximum opportunities. The danger of money panics increases in the direct ratio to our opportunities and our enterprise. On the whole, the wonder is that our general banking system is so strong, for it must be admitted that our banking laws are quite imperfect. Our greatest need is to root out bad banking, not only promoters, but also those who do not protect their depositors by moderating their loans prudently.

The guaranty of bank deposits is practically a new idea. How far it will develop into actual practice is difficult to tell. There is very respectful support for such a general system. The guaranty by State or nation of bank deposits has no greater foundation in principle than a general guaranty of certain returns or profit in any other legitimate investment. But there may be conditions that run through the body politic that would make the guaranty of deposits a public policy. We have just seen the results of the panic in depreciating the value of property and stifling industry, causing immense loss. The loss has been so great that the cost to the people in a guaranty of bank deposits would be inconsequential in comparison, provided such a guaranty will insure against panics. Understand me, when I say cost to the people I do not forget it is the intention that the banks shall pay to create a guaranty fund, but we all know that any direct tax on an industry, work, or need, in the long run, on the law of general average, is assessed to the consumer. The Government must recognize that as a principle.

I have grave fears as to the ultimate success of a guaranty of bank deposits. In the first place, unless there should be some provision prohibiting certain kinds of speculation, or unless human nature should change, even the guaranty of bank deposits will not prevent panics, but would simply defer the day by postponing the hour of fear; for, by the very nature of things, when a bull market starts, the momentum continues until it reaches a point when economically a breakdown is inevitable.

On the legitimate industrial pursuits of the country there is both theoretical and practical possibility of a self-sustained credit system, based upon money foundation; but when you inject into that the complication of speculative gambling, the more we reenforce the system of credit, so as to give unguarded confidence, the greater is the opportunity of the gambling speculators to fleece us by keeping up the bull market.

I do not mean to disparage the value of confidence based on solid economic conditions, but I want to emphasize the necessity of the value of the sufficient lack of confidence on the part of the people to cause them to scrutinize carefully the way the Wall street interests manipulate things. Just as sure as we leave that Wall street gambling contingent with its allied banks in a position where it can throw its influence into the markets, we are going to have our occasional troubles. To me it seems better to have a checking up of accounts more often and have panics less desperate.

I admit that if the Government had put its guaranty back of all the deposits on October last, and continued that guaranty, the panic would not yet be here, but the rotten places that caused it would not have been eradicated. Speculative parasites oversubscribed the credit and crowded out legitimate industry by overbidding. Had our credit been still more expansive, and if the people had deposited even a much greater part of their pocket money, industry could have stayed in a while longer, but the growth of the parasites would have eventually monopolized the credit. Yes; those same parasites would have pushed the bull game, would have tossed up the prices until even a Gov-

ernment guaranty would not hold back a panic. Such a panic when it came would be greater in its severity in proportion to the overbilled market and might ultimately destroy the credit of the Government. We must not forget that confidence is the stock in trade and capital of the gambling bulls (and we must not give them too much of it), nor should we forget that distrust is the stock in trade and capital of the gambling bears, and that these two sets of speculators are watching us common people with the keenest eyes. They rob us on both rising and falling markets. The bulls catch us going up and the bears coming back. There is no satisfactory remedy against panics in creating confidence unless we can eliminate this vicious class of speculators. In other words, we need confidence in legitimate enterprise and distrust in predatory speculation. Roosevelt recognizes that principle as all important, as is clearly seen by his strenuous prosecution of so many law-violating corporations. We common people must not be so confident as to allow the class of people I have referred to to work the confidence game on us to our own ruin.

Another reason why I doubt the advisability of such a system is that under our present loose system of examining banks the doors are left open for easy trickery which makes it possible for sharpers to rob the people. Let me illustrate: Under our present system it is practicable, though fraudulent, for ten men to combine and start a national bank with 50 per cent of the capital, and out of deposits that they may secure immediately borrow enough to recoup their 50 per cent and, in addition, enough to fully pay up their stock so as to leave no capital in the bank except their promissory notes.

The same men can repeat that operation by starting a hundred banks in that many different towns and not have a dollar invested. Not only that, with the loose way in which banks are examined they can put into the banks notes of irresponsible parties to take up the deposits as rapidly as they are made. There is nothing to prevent it except the bank examiners. I have seen an examiner enter a bank in the morning and finish his examination the same day, covering a business of several hundred thousand dollars, without finding out one thing about the bills receivable, so far as the responsibility of the makers is concerned. I have seen this happen again and again in various banks. In the majority of cases that I have observed if the bankers had not been men of integrity and responsibility they could have easily done all that I have stated before. It is to the great credit of our country bankers that there is so little actual bad practice.

From what I have said it may easily be seen what abuses could go on under a system that could easily be adopted by a few schemers. In fact, some of them could so arrange it that some one representing them would have upon the books of the banks in their control large deposits in book account only, never having actually deposited any money covered by the class of notes before referred to, and those deposits, under a guaranty system, would be protected unless the fraud could be established.

If we must disturb principles that are fundamental we should move with great caution. I think that, if there is to be a guaranty of bank deposits, there should be a limit of the amount of the deposit of any one individual in any one bank. I am not in favor of a guaranty of deposits of hundreds of thousands and millions of dollars owned by single individuals. As to what the limit of deposits guaranteed should be is a mere question of policy. In my judgment it should not exceed \$1,000 to any one individual in any one bank. But even that provision would have its dangers, for those with large deposits, if they became frightened, might make a run for the excess and defeat the very objects of the law. Such law, again, would put the careful, conservative, able, and honest bankers, from the standpoint of securing deposits, on the same footing as the careless, indifferent, or even the dishonest banker. It would create a carelessness among depositors as to where they should place their deposits.

I think I have given sufficient reasons to show my lack of confidence in the guaranty of bank deposits. I do not, however, wish to convey the idea that I would not vote for such a system if there is a general demand for the same by the people. In fact, if there is I would vote for it, but with a good deal of apprehension that some time in the future such a law would work to disadvantage.

Let us suppose, for instance, that on October last, instead of a lack of confidence, the people had had entire confidence, so much so that they had deposited in the banks and with trust companies most of the \$1,666,000,000 that they had in circulation among them not in the banks. What would have happened? The banks would have invited loans from everywhere they thought they had a fair show of getting them back. You

would now see such a boom and inflation as has never been known in the history of the world. That might continue two, three, or four years. What do you suppose the gambling contingent would be doing during that time? Everybody knows. Will somebody answer where a guaranty of bank deposits would land us under such conditions?

The United States requires a system that will make the capital of the country available to develop its natural physical conditions. Everybody desires to encourage enterprise. But in enterprise there is a tendency to bull everything, and as the country is honeycombed with speculators of a gambling instinct, these speculators are constantly interfering with the equilibrium; constantly the mark is being overshot. Setbacks are the economic penalty.

There is no fixed science about money and credit, except so far as we can evolve it out of experience. Human nature cuts a great swath on this subject, and as human nature is not steady, neither is money or credit, for the value of both are more or less seated in the human brain.

Money properly is simply a convenient means of exchange, and from that view point would require no greater volume than to meet the balances of trade. Money practically is not only a means of exchange, but is used as an actual commodity, and thereby complicates its use for exchange. As an exchange, the amount required to handle business varies with the volume of business and with the confidence and credit. The latter is the principal means or agent, but money is the parent.

I deduct the following base subjects for my thought in detail on this question:

Money as a means of exchange.

Money as a commodity.

Credit as exchange expressed in money terms.

If these points are kept in mind I think my suggestions will be understood.

Money as a means of exchange is simply the transit of money from one person or party to another to pay balances in commercial trade, and when used in that sense and for that purpose is a measure, and the balance paid forms a specific fund that may be used for any purpose instead of a limited credit.

Money as a commodity is a much more complex consideration. We may pass the question of value, for we have a fixed standard that is generally approved and is not the subject of present inquiry.

Money when used as a reserve is simply a commodity and not of direct value in making exchanges, though it has its influence on values.

Bank reserves are created to inspire confidence and for the purpose of being prepared for emergencies. It is used for the confidence, but seldom for the emergency. The piling up of reserves exaggerates panics in panic times. Pocket money, or change, which is carried by the people and kept in their homes, is simple reserve for direct trade, and so are the moneys carried in business houses which are to take care of their daily business. These several locations of money are very important to consider and distinguish their relations with any financial distress.

To me it looks very clear that our late panic was the direct result of having practically used up all the liquid capital—that is, the exchange capital—in taking care of the expanding business that was the outgrowth of prosperity. In other words, money got panicky because prosperity overtook the floating supply. The following I consider the evolution of it:

October 1, 1907, there was in circulation \$32.46 per capita outside of the Treasury, total	\$2,805,854,374
In 1897 there was in circulation \$22.49 per capita, total	1,640,200,000
Increase in ten years	1,165,654,374
In 1907 there was in the hands of the people outside of the banks and trust companies	1,666,500,000
In 1897 the amount was	877,000,000
Increase in ten years	789,500,000
The bank and trust companies' deposits in 1907 were	13,099,600,000
In 1897 they were	5,111,126,229
Increase in ten years	7,988,473,771

These latter figures require special notice. The increase in the legal reserve required to protect that increase in deposits is said to be \$478,000,000, or about 6 per cent—low, to say the least.

It must be noticed that reserves are not usually kept at a minimum by conservative banks and trust companies. It is a conservative estimate that for the increased deposits in the ten years it required between \$500,000,000 and \$600,000,000, or, in other words, dead money taken out of the general exchanges serving merely as commodity.

The clearing-house banks of the city of New York on February 21, 1907, held \$32,668,550 more than their 25 per cent required reserve and that is increased from day to day and could all be loaned out to go into commerce, but sentiment at this time is so uncertain that it is held to fortify against possible unfavorable developments.

The increase of money outside of the Treasury from 1897 to 1907 was \$1,165,554,374. This, deducting the amount of increase in the hands of the people, \$789,000,000, leaves the increase money in the control of the banks and trust companies \$376,354,000 over what they had ten years before; but the banks and trust companies were required to keep practically in their vaults an additional reserve on the increased deposits of over \$500,000,000, thus making a reduction of the available cash for general exchange use in these institutions of at least \$175,000,000 for the ten years.

It will therefore be noted that with the expansion of bank credits there was an actual contraction of available cash in the banks as a basis for the great credit system of exchange carried on through the banks.

I have stated that the available cash for the basis of exchange credit has been reduced approximately \$175,000,000 on account of the increased reserves required to be maintained on increased deposits. That statement requires the qualification, that our laws establish a false system of reserve by counting as reserve the money that one bank deposits in another, which other may deposit one-half of that in still another, and all three banks count the same as reserve. By this system we deceive ourselves on the reserve and we do not have in cash the amount of reserve that is generally supposed. There is no doubt that our reserve system is wrong. It has proven so in every panic, and now it is proposed in a measure to correct it by requiring banks to keep more of their own reserves in their own vaults.

There are many ways in which that will be a benefit to the country, not the least of which is that it will not get into the hands of the bulls and bears to operate against the people. It will especially be of advantage to the country districts and to the smaller towns, but caution will have to be exercised in the shift from our present wrong system to a correct system; because if such a law were to take effect to-day, requiring each bank and trust company to keep its reserve where it belongs—in its own vaults—they would have to make an immediate call for that money from the reserve agent; and if it were immediately enforced, we would have another panic on our hands, and there would be more commodity money come out of the exchange money which could only be secured in two ways—from the people by securing some additional deposits out of the money they carry in their pockets, their houses, etc., or by creation of new money. Note that fact, for it had a material bearing on the panic. I am proving to you that the panic was not a party panic—that is, we had to stop and check up and give account.

We know from statistics that the commercial business of the country is done on more than 90 per cent credit. It is stated to be \$19 credit for every dollar of money. It must be considered that the money in the hands of the people, not in the hands of and with the trust companies, is money that enters almost exclusively into cash transactions, and that the great volume of credit is based upon the exchanges made through the banks, and probably exceeds nine-tenths of all the credit business. Therefore the reduction of the live—that is, the available—cash in the control of the banks over \$175,000,000 is a very material consideration in this financial question.

On the 1st of October last if the people had deposited \$175,000,000 out of the \$789,000,000 increase in their hands the available cash for business and commercial use through the banks would have been about the same as it was ten years before. If the people had continued to allow the banks to hold that additional deposit it would have formed a basis for further credit expansion in possibly \$2,000,000,000 additional credits. That together with the ordinary increase of money and its expansion into credit would, other things being equal, have deferred the panic period maybe several years. But human nature shows that it all would be discounted and panic would come even in spite of good physical conditions.

Now, we can talk all we please, there is no complete remedy in any law or in any party. In spite of all, men or party, or physical condition, we will go with unerring certainty into alternate periods of expansion and contraction in credit, which will influence for good or bad the development of our physical resources. The physical conditions do affect particular times when these periods take effect and are frequently the prime cause. Physical conditions, however, were not the prime cause of our late panic. The physical conditions were right for con-

tinued prosperity, but speculation and development overtook and smothered the exchange agency—money and credit and speculation made readjustment impossible without reaction; speculation had to receive a backset. Speculative gamblers were dissatisfied with the criticisms of the President on deception and fraudulent practice and tried to strike back by charging the panic to him, but the panic was due to credit conditions, and all the President and the Administration could do was to give relief to prevent it from becoming worse. Germany had a panic practically the same time, but her panic was caused by too much money, and of course different excuses are offered to account for that.

It seems to me there is no complete remedy, but there is within the power of legal regulation a controlling influence, so that when we have reached the maximum of credit based on the available cash and the warning is sounded, we can check back to normal through the great reserve system without destroying so excessively the well-earned means of the common people. It must be remembered that all the money in existence is a mere bagatelle compared with the everyday well-directed energy of the people and that the great success of mankind depends upon the uninterrupted application of that energy.

In the beginning of the recovery from what is known as the "panic of '93," labor had been unoccupied on a large scale, and we common people had used up a large part of our pocket reserve. It had gone to those from whom we had to buy our necessities and through them to their creditors, and finally most of it found lodging in banks and trust companies. Vast debts had been liquidated and contraction was at its limit. It had run its course. Production had to commence, and with that a demand for labor, raw material, and the finished products. Everything that started created a necessity for additional things and we were all on the highway to expansion. We who had used up our pocket reserve got employment and filled our pockets again with more than we ever had. Still there was more work than we could do, for when we worked ourselves we needed and could use more goods and could have more luxuries. Therefore, more work was required to supply those. Foreigners came in by the millions to help us work, and they filled their pockets with change. This change, or pocket money, had to come from new money or from the money that had been piled up in the banks and with the trust companies.

As before stated there was \$789,000,000 more money in the people's hands in 1907 than there was in 1897. They had earned and got possession of that much more money that they did not deposit in banks or with trust companies. That money was used not for credit but for cash business and has all the time taken care of itself. It took no part in exaggerating the panic and probably not a great deal in relieving it. But it was quite convenient to have out among the people when the banks were not paying out money.

The money secured from the banks at first was principally taken to operate producing plants all the way from the farm to the great factories and also went into the great systems of railways. Most of these concerns—that is, the factories and railways—had to be operated largely on credit. In the process the money was borrowed from the banks and trust companies, but was left on deposit to be checked out. These checks were deposited also, but every time a deposit is made a proper reserve must be created. The duplication of deposits in the banks and with trust companies, was exceedingly rapid as is seen by the ten years' growth. When this demand for money for legitimate use in producing began, there was a simultaneous speculative demand and the bankers and trust companies took care of these speculators also. If the gambling speculators had been excluded from receiving credit no panic would have been due for many years to come and money panics would never be so acute were it not for the gambling contingent of the speculating interests.

The facilities with which banks make exchanges is so well conducted that checks and drafts have been the principal means of conducting business. They are practically the same as money for purposes of paying balances. In no other place in the world is there so much elasticity in bank credits; but, as we have observed, the greater the amount of credits the greater the amount of necessary reserve.

Reserve is to protect, but under our system there is little authority to use it. The strictly legal reserve held by the banks and trust companies has been treated as a sort of a semisacred fund. Grover Cleveland, I think, was the first to make conspicuous practical use of our Government gold reserve. He knew what reserve was for. Prior to his use of the gold reserve the near approach to the minimum reserve was the point at which the people took fright. He taught the people the use of that reserve.

During the October-November panic the bank reserves served opposite purposes; one to aggravate the panic by tying up and enlarging the reserves at the expense of general circulation; the other to create confidence by reason of the size of the reserve. The people saw the reserve and knew that it was all that was left. They, of course, wanted that and demanded it. It was in the banks for the protection of the depositors, the reserve really belonged to them, but to pay it out would have endangered the banks. The bank could not use it for the people, because they thought they would burst if they did, and the people were, many of them, bursting because they did not. The idea is, "the banks will be damned if they do, and the people will be damned if they don't." The people were really the ones who were damned if they had any debts to pay or goods to sell.

If the reserve could have been generally used in a checking-back system to cancel credits and debits, the panic would not have cost the people such sacrifices. Cleveland's example of using the gold reserve in the United States Treasury had not served as an example to educate the people how to practically use bank reserves.

The reserves of banks and trust companies are intensely important and should not be weakened in any respect; but I confess that when we find banks that are solvent, under both ordinary and extraordinary circumstances, and a panic comes along, and they have their gilt paper and good cash and are not allowed to use the latter to help bridge over the emergency, that reserve is too mighty exclusively reserve to fit the exigencies of the sick days of October and November. The banks of New York City, however much they may be blamed for some phases of the situation, were not so much amiss on that, for they made some use of the reserve and saved the country from what would have been a more serious panic if they had refrained from its use.

I do not advance that idea as a commendation of the New York banks, but merely to show their understanding of the value of reserve. The New York banks were grossly instrumental in causing the panic by diverting the money of the country from its legitimate uses and placing it with the speculative gambling interests, but after the panic was on and they were in distress they used the most effective means, lawful and unlawful, to check it.

I do not want to be misconstrued on this reserve question. I do not in any way want to weaken the reserve system; I would rather strengthen it. It should never be reduced below the minimum for the purpose of expanding business; but when the limit of credit has been reached and the people become frightened and reaction sets in in such violence as to destroy the substantial substance of the people, the reserve should then serve as a checking-back agency for the purpose of liquidation to regain normal conditions. That may be done with great satisfaction to the people and saving to the banks under proper regulations.

When a panic is in sight, everybody gives it a boost by trying to collect and pile up reserves. The banks are helpless under the pressure. They can not be otherwise. The President, candidates for future Presidents, the public press, and many others in positive terms pointed the finger of disapproval toward all who withdrew their money from the banks for the purpose of hoarding, and at the same time pointed to the piling up of reserves in the banks with approval, as showing their solvent condition. How was the ordinary citizen to know that his money was safe, when so many institutions were refusing to pay out money? There is no doubt that the withdrawal of funds from the banks aggravated the panic; neither is there any doubt that the piling up of reserves by demanding payment of everything that could be collected, irrespective of sacrifice, also aggravated the panic.

The reserve system is not properly handled and works to the injury of the people. The test comes in a panic, when the reserve is most needed. At such times what we now call reserve is reserve practically only when in the control of the banks for whose depositors the reserve is kept, and with a right to use it within proper regulation, as the New York banks made use of it in spite of regulations and in violation of law. I know of no way in which I can better state this than to quote from a late speech by Senator NELSON:

The only way the bankers stopped the panic was by breaking the law by suspending payment, holding up the entire country. That is the modern way of stopping a panic, and it is an easy way of stopping it, if people submit to it. If the First National Bank of Alexandria, my own home, had suspended during that panic and refused to pay, as it did not, the Comptroller of the Currency would have been swift to have put it into the hands of a receiver and wound it up. But when these great city banks all in a body resorted to this system and held up their depositors in the manner they did, no action was taken. Senators, you can see that that system of stopping a panic was very effective, but it is the most lawless and revolutionary method of stopping a panic I have ever known.

The Senator deals with the New York end of the panic in clear terms that our country people should fully understand.

That reserve is not actual reserve except when kept where it belongs—that is, in the bank for which it is reserve—is shown in the past panics when reserve and central reserve banks refused cash to the country banks to which reserve deposits were due. Reserve should all be kept in the place where it is required in the event of its need, with the exception of possibly a small amount for exchange. It should never be in other banks for loaning purposes.

If the country banks get too much money, they should loan on commercial paper as near home as good paper may be had, instead of piling money up in the reserve cities. When it gets into the latter places it enters into speculation. Much of it is used to buy control of the actual necessities of the people. When such control is secured, capital is created upon the needs of the people. Their necessities are taxed up to them and then again when they need the money to move their crops, the very money that has been deposited in their own banks has been transferred to reserve cities, and when demand is made for it such a demand creates a stringency that reduces the price of what the people have to sell. Their own local money is sent away and can not be called back without depressing the market. They are hit both going and coming.

We country people scarcely realize that the money deposited in our local banks, by its transfer from the local banks to the reserve cities, a large part of it goes into marginal dealings in Chicago and New York and enables the gamblers in stocks and grains to take advantage of our necessities in a thousand different ways and to boom the great cities and their gamblers in such a way as to make them an uneconomical tax upon the energies of the people.

The gentleman from Indiana [Mr. CHANEY], who has just addressed the House, stated that the banks of New York could absorb all the money that the people could pour in there. He is right. One of the principal means of absorbing it is in the speculation that costs the country so dearly. I am a believer in the people keeping their money in the banks. Great good has come to the people and to the country by that system, but we would have had this benefit more equitably distributed under a reserve system that would have kept more of the money at the places of production or where it was earned.

This is the people's question. It is a question of seeing the trouble and regulating it as well as judgment will permit.

We can not undertake to increase currency on nothing, for to do that will complicate values to the advantage of the few and the detriment of the many. In some way there must be a check to overspeculation and to overdevelopment—that is, development should meet the conditions that respond to the people's needs. There is no amount of money that could be injected into circulation that would prevent panics; for whatever money is put into circulation enters into calculations of speculation and business and an adjustment is made to it. It is a question of governing influence and an application of remedies that control demands within legitimate purposes and as far as possible to cut out improper speculation. What show does the legitimate industrial business have when the Wall street gamblers bid the price of money up as high as 125 per cent? Last October the gamblers had to have it, even if it sent all of the industrial plants, farm, and laborer on the bum. No industry could bid against such odds. Nothing but gambling would attempt to meet that, and that was one thing that prevented the central reserve banks of New York from paying the deposits belonging to the country banks. This last panic was the result of using up the liquid capital. It had all gone into enterprise and speculation. It may be impossible to provide any means to bring overspeculation and overdevelopment back to normal conditions without financial disturbance, but there should be, and probably are, more ways than one in which such disturbances may be checked to prevent such demoralizing effects as have occurred in the past.

We know that in October and November, without material physical change, there was a sudden disturbance in the movement of money, and with that disturbance credit was destroyed to an extent that seriously embarrassed our industries. We know that under the influence of that disturbance the price of all products on the farm declined enormously.

I will outline in general terms what seems to me a safe, simple, and effective plan for a bond-secured emergency currency, payable in gold and at a rate of interest large enough to insure its retirement when the emergency is past and not so large as to prevent free use:

Authorize the Comptroller of the Currency to have printed in proper way currency bills in proper denominations, to be legal tender for all purposes except interest on the public debt and in

redemption of the national currency, such notes to be on hand in the Treasury of the United States and put out into circulation in the following manner:

Any banking association applying to become a creditor entitled to a loan of said bills shall first satisfy the Comptroller, by such proceedings as the Comptroller may establish, of the solvency of the bank and that its capital and surplus are unimpaired. Said association shall deposit with the Treasurer of the United States its promissory note for such amount as it may desire credit in said bills, which note shall by its terms be payable to the United States in gold on demand and bear interest at the rate of 6 per cent per annum, payable on the 1st days of January and July of each year—the interest, however, to be computed as I indicate later.

Any banking association depositing its notes to submit therewith a list of securities in an amount to exceed by at least 10 per cent the bank's note or notes, bonds, or other interest-bearing obligations payable in gold of any State of the United States, or any legally authorized bonds issued for municipal purposes by any town, city, district, or county in the United States which has been in existence for a period of ten years, and which for a period of ten years previous to such deposits has not defaulted in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it, and which has at such date more than 1,200 inhabitants, as established by the last national census, and whose net indebtedness does not exceed 10 per cent of the valuation of the taxable property therein, to be ascertained by the last preceding valuation of property for the assessment of taxes. The Treasurer of the United States, with the approval of the Secretary of the Treasury, may accept for the purposes of this act herein enumerated, in such proportions as he may from time to time determine, bonds not less than 10 per cent in excess of the bank's note or notes, and he may at any time require the deposit of additional security or require any association to change the character of securities already on deposit, and shall at the end of, say, five years require that all bonds not issued and sold by the States and municipalities after the passage, such bonds shall be substituted by bonds that are issued and sold after the date of the passage of such act. No bonds deposited shall draw interest at less than 2 per cent per annum, and any bonds that are deposited that bear interest at less than 3 per cent shall require 15 per cent in excess of the credit given the bank for the use of the Treasury bills; and provided further, that no bonds of any kind required shall be received as security unless the principal and interest are payable in gold.

That all bonds deposited to secure the bank's note or notes issued should be transferred to the Treasurer of the United States in trust for the association depositing them, with a memorandum to that effect attached to or written or printed upon each bond and signed by the cashier or some other officer of the association making the deposit. A receipt should be given the association by the Comptroller of the Currency, or by a clerk appointed by him for that purpose, stating that such bond securities are held in trust for the association upon whose behalf the transfer is made and as security for the payment of the bills authorized to be loaned to such association that have been or may be delivered to such association. No assignment or transfer of any such bonds by the Treasurer should be deemed valid unless countersigned by the Comptroller of the Currency. The provisions of sections 5163, 5164, 5165, 5166, and 5167 of the Revised Statutes, respecting United States bonds deposited to secure circulating notes should, except as modified, be applicable to all bonds deposited.

Any banking association that should comply with such provisions should be entitled to receive credit with the United States Treasurer for the Treasury bills and have the right on demand to receive in such bills the full or any fractional part that would be to the credit of such banking association, and should pay interest to the Treasurer of the United States at the rate of 6 per cent per annum on the amount received from the time of receipt until paid, such interest to be paid as before stated; provided, however, that interest upon any bills taken out by the banking association in the last four months of any year and paid before February 1 following should be satisfied by the payment of 1 per cent on the amount of such bills. The same process could be repeated from time to time and repaid in full or by installments.

The Comptroller of the Currency, whenever he should deem the security insufficient, should notify the banking association to deposit additional security, and in case of failure to furnish such additional security such banking association should be required to pay the Government for all bills charged to such association, and in case of failure to pay action be instituted upon the

note of the bank for such amount as would be due to the Government for bills loaned, or bonds could be sold to pay same, or both.

Whenever a banking association should wish to withdraw any bonds deposited as security, it could pay to the Government such amount as would be due and withdraw such securities.

Any national banking association not in a reserve or central reserve city that would comply with such provisions, and stood credited with and entitled to receive on demand the bills authorized, might be allowed to reduce the reserve of such bank to 10 per cent of their deposits, provided that nine-tenths thereof shall remain in cash in the bank vaults; and provided further, that the Treasury bills the bank would be entitled to receive on demand should be at least double the amount of the deficit in the reserve below the 15 per cent legal requirement; and provided further, that no bank should make time loans when its reserve is below the 15 per cent requirement. A provision could also be made that reserve and central reserve banks could reduce their reserve in the same way by using the funds to pay their depositors that are counted in the reserve of other banks.

Embodied in these suggestions that I have made are some ideas of a way in which an elastic currency may be secured that would favor crop-moving seasons and work to the advantage of farmers and the general public, and would not disturb general values.

The last four months of the year the United States emergency bills could be taken out at a cost of 1 per cent on their face if the funds to redeem are paid into the Treasury on or before the 1st day of February following. Thus, if these emergency bills were taken out on the 1st day of September, they could run without redemption till February 1, five months for 1 per cent, plus the cost of printing, which would always be a cheap crop-moving currency, and would prevent a stringency occurring every fall at the time when a farmer must sell. The rate of 6 per cent on all emergency bills not taken out on the last four months of the year and paid before the following February 1 would be sufficient to prevent absorption by speculation.

It is not likely that emergency currency would be resorted to every year, but whenever the necessity existed it would be available. The very fact that it may be had would be likely to remove the necessity, for if bankers had some safeguard, in case the necessity arises, they will not be frightened into hoarding money as they were in the last panic.

The reserve of banks is, under our present system, considered "the dead line." When a bank's reserve is impaired, it is subject to be closed, unless repaired quickly. The bank may be perfectly solvent, but the reserve which is there to protect the depositor, if used for the purpose for which it is created, will compel the bank to close its doors and defeat the object. It would seem that a properly regulated system may provide a safe elasticity to the reserve, so as to make a part of the reserve available for emergencies, but the use of any part of the reserve should be the suggesting point for caution, and should be so fortified as to make its own corrections by being attended with such conditions as to make it financially expedient to bring the reserve to its normal. In line with that idea, it is suggested that we take notice of a well-known fact—that is, that every fall a stringency occurs in crop-moving season that materially injures the agricultural districts and in some measure affects disadvantageously general business. It is therefore suggested that under the plan outlined, and as an auxiliary to the system, provision be made that when any national bank has deposited its note or notes and collaterals as first suggested it shall not be required to actually take from the Treasury of the United States emergency bills; and that when such bank notes and collaterals are deposited and the United States emergency bills are not taken, but remain in the Treasury, the reserve of such banks may be reduced by a use of a part of the reserve to liquidate obligations, provided that the United States emergency bills the bank is entitled to receive on demand shall be at least double the amount of the deficit in the reserve below the regular requirement; and further provided, that no bank shall make new time loans when its reserve is below the regular requirement.

That is, if the bank is entitled to immediately receive emergency currency, and leaves the same in the control of the Government, it may use a part of its reserve, provided it can immediately supply a larger sum of emergency currency. The banks should not be required to pay interest on emergency bills until they are made current and should be required to take no more than they require.

The prohibition of new time loans being made when the reserve is not complete may be a sufficient provision to bring the reserve to normal.

The low interest suggested for crop-moving seasons to favor directly the farmer, and indirectly all the people, would create a special incentive to the banks to be prepared, for the same security would fortify them with the means to protect their depositors far better than the present system of keeping of the reserve in reserve banks, where it has been proven in the last panics that it does not serve the purpose of reserve. The higher rate to take effect in all emergency currency not made current and paid between September 1 and February 1 would create the financial expediency to bring the reserve back to its normal and check any speculative movement.

A great indirect advantage in such a system would be the market that would be created for municipal bonds, which would naturally be classed in the favorable and approved security for emergency bills. Every school district, town, village, county, and State could sell its bonds at a better price, and taxes would be much less, and at the same time provision would be made to secure the emergency currency.

Our General Government pays less interest and gets better price for its bonds than any other government of the world, because the bonds secure a part of our money system. The people have saved more than all the greenbacks now outstanding over what the bonds would have sold for without that advantage. Our 2 per cent bonds sell at a premium, while the English and German government bonds, at a higher rate of interest and probably equally as safe for interest purposes, sell far below par.

The example of the demand created for Government bonds by their guaranteeing the circulation of the banks, is sufficient to illustrate in a degree the advantage that would be given to municipal bonds if they could furnish the reinforcement to an emergency currency.

I do not attempt to figure to exactness, or to exact amounts and special details, for the main idea is to give a general plan for thoughtful consideration.

The country has a chance to relieve itself from a bad banking reserve system that takes too much of the people's funds to the city of New York, there to be expended in extravagance, speculation, and in every way imaginable, and when needed by the people who have the greatest right to it, their demands create a stringency and in some cases a panic.

This is especially a good time to enact a law based upon some sound basis to prevent as far as possible future sudden money panics. The money panic will be over and barring unforeseen possibilities, money will soon be cheap. While money is cheap the banks can, before emergency arises, place themselves in readiness for future needs, and that without incumbrance or inconvenience.

It will be better for the country banks, if they can get advantage of certain reserve rights based upon municipal bonds, to have the people's money invested in those bonds than it is for them to keep excessive reserve funds in New York at 1½ and 2 per cent.

I have not suggested any compulsory provisions, but merely provisions to be utilized by reason of their expediency.

It is impossible for anyone, or any aggregation, to determine by a fixed minimum or maximum amount the volume of money and credit this great country of ours is going to require. It is not necessary so far as emergency currency is concerned, for we can fix upon a system that will automatically adjust to our development.

We can fix certain taxes and penalties on the issue of money for special purposes to cover emergencies, so as to naturally and under financial expediency adjust to the law of general averages. The needs of the common people, the aggregate of mankind, must be our guide.

I suggest that in any legislation care must be exercised to avoid legislating value that naturally belongs to the people into the hands of individuals. It is not justice to the people to increase the value of outstanding bonds by creating an additional demand for them, nor is it just to create an unnatural demand for private bonds; therefore, the proper thing to do in fixing upon the bonds to be accepted by the Government for its promise to meet future outstanding obligations to be created for emergencies are the bonds of the people—schools, towns, villages, cities, counties, and States. These bonds, of course, must stand the test of proper investigation. Upon the taking effect of such a law there should be no bonds in existence, except unsold municipal bonds, that could secure a boon out of the law.

There are new bonds of municipalities being issued to promote new developments and to meet maturing bonds. Such new bonds would be in greater demand, and the people would reap the benefit of the demand which they themselves thus create. The new bonds in all probability would come on fast

enough, but to forestall any possible emergency which might arise before they may be had the temporary use of other bonds could be provided for. Such possible necessity for temporary use of other bonds would not create a demand at the expense of the people.

It would be wrong to limit the acceptable bonds to municipalities of 20,000 population. This is a country made up of units, and the small districts, villages, and towns, etc., have the same general rights as the city or district of 20,000, and the banks in these smaller towns should not be compelled to desert their home localities in the investments of funds that naturally belong to the particular locality.

Whenever a village, district, or town sells its bonds, if their systems are in proper shape and sound, they should be as much respected by the law as the city of New York or other large cities.

Every part of our country has the right to the advantage of the operation of any general law, and the Government should not create by law a monopoly in the emergency-currency plan in favor of banks with a 20 per cent surplus capital. A surplus may properly be considered in the amount a bank would be entitled to circulate, but any bank with unimpaired capital should be entitled to the currency in proportion to the unimpaired capital.

New banks should not be allowed to open unless they have the responsibility that would entitle them to public confidence. Many State banks may desire to become national banks. These should not be prejudiced by monopoly-created banks. The smaller banks of the country should not be compelled to go outside of their own markets to buy bonds, if bonds there may be secured.

To secure emergency currency we can not afford to create further monopoly in large cities. Let every municipality, if otherwise sound and all right, have the benefit of any law. Remote farming districts must be protected as much as the cities and populous districts.

Our Government can not afford to let any money be current that is not backed by the Government. If the currency is turned over to private concerns, let those concerns furnish the security of certain good value to reimburse the Government for its credit and let the credit be paid for in some substantial advantage to the people.

As to whether there should be authority to issue as much as 50 per cent of the national banks' capital in emergency currency, and as to whether the emergency currency should be confined to national banks, and as to whether the collateral should be 10 per cent in excess of the emergency currency, and as to whether the rates of interest should be those named in my comments, and as to whether any interest should be paid by banks on any reduction of reserve below the required amount are all questions that go to detail and not to the general plan. [Loud applause.]

Mr. OVERSTREET. I hope the gentleman from Tennessee will occupy some time.

Mr. MOON of Tennessee. I yield thirty minutes to the gentleman from Nebraska.

Mr. HITCHCOCK. Mr. Chairman, a few days ago the distinguished leader of the majority on the floor of this House [Mr. PAYNE], in the course of a speech criticised a statement which I recently made regarding the effect of the paper and wood-pulp schedule of the Dingley tariff. He assured this House that my effort to demonstrate that the paper schedule had been used by the paper trust as a means of extorting millions of dollars of illegitimate profits from the newspapers had failed, and that all that I had succeeded in showing was the existence of a trust which had enabled the paper manufacturers to accomplish its end. Therefore to-day, Mr. Chairman, briefly, I propose to discuss the relations of trusts to the protective tariff, more particularly as exemplified by the schedules which shelter the paper trust and relate to paper and wood pulp. In doing this I express regret that the chairman of the Ways and Means Committee is not present to challenge my statements. As a substitute, however, I hope I may have the attention of the gentleman from Pennsylvania [Mr. DALZELL], who assisted the chairman of that committee when he made his speech by furnishing him with what purported to be estimates from the Census Bureau of the price of paper covering a period of years. I am prepared to show, Mr. Chairman, that those census statistics are absolutely false. The figures as given by the gentleman from New York [Mr. PAYNE], and furnished by the gentleman from Pennsylvania [Mr. DALZELL], were intended to prove that the price of paper in the United States was \$2.50 a hundred before the passage of the Dingley bill and that the price of paper to-day is \$2.50 a hundred, which is, I suppose, to maintain the assertion that the Dingley bill did not raise the price of paper.

Mr. DALZELL. Will the gentleman yield?

Mr. HITCHCOCK. Certainly.

Mr. DALZELL. Those figures, while they came from the Census Bureau, were not the Census Bureau figures. They were figures that were obtained by the Bureau from the leading authority, whatever that is, on the paper industry of the country.

Mr. HITCHCOCK. I understand; and what I propose to show is that those figures are absolutely false. If they are fair specimens of other figures which this Census Bureau is furnishing to the country, they indicate that Census Bureau statistics are unreliable. [Applause.]

Now, Mr. Chairman, it rarely happens that we possess conclusive proof of an assertion of this sort, but I believe that I possess it in official records.

I hold in my hand the second volume of tariff hearings before the Committee on Ways and Means held when the Dingley bill was framed, eleven years ago. Among other things, the undisputed testimony before that committee was that the price of print paper at that time was less than \$2 a hundred pounds, and the only witness who named a specific price placed it at \$1.75 a hundred pounds. That proof effectually disposes of the claim of the present chairman of the Committee on Ways and Means that the price of paper before the passage of the Dingley bill was \$2.50 a hundred. His own records here officially printed confound him. They prove that the price of paper was \$1.75 per hundred pounds before the Dingley bill passed, and he admits that the present price is \$2.50 a hundred pounds, thus proving my charge of the great increase.

But, Mr. Chairman, the distinguished Republican leader evidently feels uncomfortable over the charge that the Ways and Means Committee delivered the publishers of the country into the hands of the paper trust by fixing the tariff at 30 cents a hundred pounds in the Dingley bill. He seeks to excuse the committee. He stated in his argument to this House that so far as he could remember, when the Dingley bill was under consideration and the schedule relating to wood pulp and print paper was being considered, no newspaper representative appeared before that committee to protest against the increase in the tariff on paper and wood pulp. I was astounded at the boldness of the statement.

Mr. DALZELL. What was the increase of the tariff on paper and wood pulp?

Mr. HITCHCOCK. I rejoice that the gentleman has asked the question. I am prepared to show that the increase in the tariff on paper was about \$1 per ton, because the committee, at the instance of these gentlemen soon to form the paper trust, changed the tariff from an ad valorem tariff of 15 per cent to a specific duty of \$6 per ton, thus covertly accomplishing the increase in the tariff by "a little joker."

Mr. DALZELL. Does the gentleman say that the tariff as it is to-day existing exceeds 15 per cent?

Mr. HITCHCOCK. Yes; when it was adopted.

Mr. DALZELL. He is mistaken.

Mr. HITCHCOCK. I can prove that by the records.

Mr. DALZELL. Oh, records are remarkable, but they are not proof.

Mr. HITCHCOCK. They are records of the Committee on Ways and Means, your own committee, printed officially. [Applause on the Democratic side.]

Now, Mr. Chairman, with reference to the statement of the chairman of the Committee on Ways and Means in his recent speech, that no newspaper representative appeared at that time, let me read a paragraph from the hearings before his committee, then engaged in framing the Dingley bill. On page 1753, volume 2, the hearings on print paper begin, and the very first witness who appeared was a publisher of national reputation, Mr. John Norris. He was publisher at that time of the New York World and now is manager of the New York Times. He appeared before that committee and delivered this solemn warning:

I do not appear before the committee to present any request, either for the newspaper or for the publishers generally, but I felt that it was due to this committee that some one should come here to advise it formally of the fact that the news paper manufacturers of the United States have perfected their arrangements for a combination by which every newspaper shall be at the mercy of a central selling agency and by which the price of news paper shall be raised, and by which these gentlemen shall derive an additional profit of from \$5,000,000 to \$6,000,000 out of their investment, and thereby tax knowledge and diminish the educational possibilities of the newspaper press.

That was the statement of Mr. Norris December 31, 1896, when he appeared before the committee. He came not so much to plead the case of the newspapers as to warn this committee, a public body, that it was proposing in the Dingley bill to create a shelter for the formation of a trust which would rob the consumers of print paper in the United States.

For three or four pages Mr. Norris's statement continues. For three or four pages he is interrogated, and among the members of that committee who interrogated him at that time was the gentleman from New York [Mr. PAYNE], now chairman of the Committee on Ways and Means, who protests that he can not remember any publisher coming at that time to oppose the tariff on print paper. In the course of his remarks before that committee, Mr. Norris went so far as to name the men who were engaged at that time in plans to create the future paper trust of the United States. Those same men, ex-Congressman Russell, ex-Senator Warner Miller, and Mr. Hugh Chisholm, within six months after the adoption of the Dingley bill became the executive officers of this trust. Within six months after the Dingley bill passed the prediction of Mr. Norris came true and the trust was formed, controlling 80 per cent of the print paper manufacture of the United States.

But, Mr. Chairman, the warning given to the Ways and Means Committee was not all that he gave them. He also pointed out the method by which the committee could protect the country from the paper trust then being formed. On page 1755 of volume 2 of the hearings appear these questions by a member of the committee and replies by Mr. Norris:

Mr. TAWNEY. Do you think taking off this duty would have any effect on the trust or combination controlling prices?

Mr. NORRIS. It would simply make impossible any combination in so far as it attempted to raise the price of paper. It would be an automatic check upon any monopoly.

Mr. TAWNEY. If we imported none in competition with that produced by a combination, how would it operate as a check?

Mr. NORRIS. It would simply force them to keep their price down 15 per cent below the rate at which they could sustain a combination. The point on which this combination now builds is that it has obtained all the available water powers.

Mr. TAWNEY. My point is, if we imported none to come into competition with that which is produced by the combination, or could import none, how would removing the duty affect the combination?

Mr. NORRIS. To-day the duty is prohibitive. If you will allow me, I will continue the point I started out to make. It was this: This combination has obtained, or claims that it has obtained, all the available water sites for power. Paper can not be made by any other process except water power, which makes it sufficiently cheap to enable them to grind their pulp. They have also obtained control of all the spruce tracts, which makes the best pulp, and therefore they have the entire industry entirely at their control. However, in Canada there are exhaustless forests and water powers that would be sufficient to supply any amount up to an output of 2,000 tons per day. The mere fact that that is possible, with the duty off paper, would entirely check that combination. They are protected to an extent by distance. The fact of transportation would be a factor.

Mr. TAWNEY. You maintain that paper would be imported into this country were it not for this duty?

Mr. NORRIS. That it might, yes; and that if the duty were removed it would simply be an additional check against this tax on knowledge.

Now, Mr. Chairman, the gentleman from Pennsylvania [Mr. DALZELL] expressed surprise when I told him the Committee on Ways and Means raised the tariff on print paper in the Dingley bill, and I have promised that I would prove to him from these records that the tariff was raised.

Mr. GAINES of Tennessee. Who was Warner Miller, a Republican or a Democrat?

Mr. HITCHCOCK. He was a Republican, I think.

Mr. GAINES of Tennessee. It is certain that he was.

Mr. HITCHCOCK. I am glad to see the chairman of the Ways and Means Committee [Mr. PAYNE] has entered the Hall, and I want to call his attention to the fact, and I will read the language if he desires to hear it, that Mr. Norris, before that committee, testified that the price of print paper when the Dingley bill passed in the United States was less than 2 cents a pound; and naming a specific figure he said it was 1½ cents a pound, or \$1.75 per hundred pounds. Later, when Mr. Miller and Mr. Russell, large paper manufacturers, appeared before the committee to ask for a tariff on paper, they stated the same thing—that the price of print paper was less than 2 cents a pound. As a matter of fact, I can produce the evidence that New York papers at that time were paying, delivered in New York, \$1.65 per hundred for paper, and away out in Omaha, including a high freight rate, I was not paying much, if anything, more than 2 cents a pound. Now, at 1½ cents a pound a 15 per cent ad valorem tariff, as under the Wilson bill, is one thing, and a specific duty of \$6 per ton, as provided in the Dingley bill, is an entirely different thing. An ad valorem tariff of 15 per cent on paper selling for \$1.75 per hundred is almost exactly \$5 per ton, and the duty which the gentleman from New York [Mr. PAYNE] and his committee put on at that time was \$6 per ton, thus covertly consummating, without assuming to do so, and concealing the fact from the public, an increase of \$1 per ton on print paper.

Mr. PAYNE. I understand the gentleman to say that the price of paper was then 2 cents a pound.

Mr. HITCHCOCK. No, sir; you understood me to say, if you understood me right, that it was less than 2 cents a pound. The New York papers were paying \$1.65 per hundred de-

livered. A 15 per cent tariff on that is less than \$5 a ton, and your committee recommended and Congress enacted \$6 a ton.

Mr. PAYNE. If the gentleman will take his pencil and figure 15 per cent on 2 cents a pound he will find that it is exactly three-tenths of a cent a pound, the duty that was imposed upon paper at 2 cents a pound.

Mr. HITCHCOCK. Yes; but it included paper worth less than 2 cents a pound, and the testimony before your committee does not show that the price of paper was 2 cents a pound. Your testimony shows it was less than 2 cents a pound; in one case 1½ cents a pound, which, taxed at 15 per cent, is about \$5 a ton. All the testimony before your committee was to the effect that the price was less than 2 cents a pound.

Mr. DALZELL. Where?

Mr. HITCHCOCK. It was less at the mill, and it was even less delivered in New York after paying freight.

Mr. DALZELL. How about Omaha?

Mr. HITCHCOCK. My recollection is that at that time I was only paying \$2.10 a hundred delivered in Omaha after a heavy freight charge. The price at the mill was less than 2 cents.

Mr. DALZELL. The average market price of paper at that time, according to the testimony, was less than 2 cents per pound.

Mr. HITCHCOCK. It was less than 2 cents a pound.

Mr. DALZELL. At some places it was in excess of 2 cents, and a little less at others, but the average price was about 2 cents.

Mr. HITCHCOCK. That is now the assertion of the gentleman from Pennsylvania, but the testimony before the committee is that it was less than 2 cents a pound, and one of the manufacturers said that he was afraid to say in public how much less it was. The fact is, Mr. Chairman, the price of paper had been coming down for fifteen years.

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

Mr. HITCHCOCK. Certainly.

Mr. BATES. Has the gentleman any testimony that the average price was less than 2 cents a pound over the country, except the testimony he has referred to? He has referred to instances of the price of \$1.65 and \$1.75, but is there any testimony that the average price throughout the country was less than 2 cents?

Mr. HITCHCOCK. The test price of paper is the price at the mill. The freights vary it, but the basic price is the price at the mill.

Mr. BATES. But it is the average price that governs the Committee on Ways and Means in making a tariff.

Mr. HITCHCOCK. Not if you add a lot of freight. The average price of paper, the universal testimony is, was less than 2 cents. Here is the testimony of Warner Miller, one of the organizers of the paper trust, who says, on page 1763 of the hearings:

To-day we are selling a much better article of paper—I dare not say how cheap with Mr. Norris in the room—but less than 2 cents a pound.

Mr. GAINES of Tennessee. What did Mr. Norris say?

Mr. HITCHCOCK. He said the price was 1½ cents a pound. But, Mr. Chairman, my desire is to prove that the present price of paper at 2½ cents a pound is more than 25 per cent higher than it was at the time the Dingley paper tariff was passed at the request and on the urgent demand of the very man who, six months later, organized the paper trust, and that the committee had a fair warning that the trust was being formed. [Applause on the Democratic side.]

The Dingley bill was enacted in July, 1897. The International Paper Company was organized the following January. The three paper manufacturers who had appeared before the committee and secured the paper and pulp tariff became its executive officers, just as Mr. Norris had predicted. They were: Mr. Russell, president; Mr. Warner Miller, accountant, and Mr. Chisholm, who had presented a written argument, became vice-president.

The real object of the gentlemen who secured the Dingley tariff on paper, and who six months later formed the International Paper Company, was to capitalize the water powers and spruce forests of the United States, form a great monopoly, and raise the price of print paper in America. They started with a capitalization of \$51,000,000 of stocks and bonds. Instead of putting in the mills at their real value, it was more than doubled. For instance, to build a paper mill costs \$10,000 for every ton of daily capacity. This makes a mill with a capacity of 100 tons a day cost \$1,000,000. Such mills, even when old, were accepted at more than double that amount. The capacity of all the mills in this trust did not exceed 1,500 tons per day, and even if new and modern were therefore not worth over

\$15,000,000. The rest of the \$51,000,000 of capital was chiefly the capitalization of monopoly power derived by tariff protection.

Of the ninety-eight machines embraced in the mills of this trust only forty-three were of recent make; fifty-five were old, if not obsolete; yet they were capitalized at more than twice the cost of new plants, and upon this old junk an effort has been made to earn dividends on the enormously inflated valuations. At this time the International Paper Company has a capitalization of stocks and bonds approximately amounting to \$60,000,000 and a surplus of \$7,000,000, accumulated during its short history. Besides paying dividends on its preferred stock and interest on its bonds, it has sometimes paid dividends on its nearly \$20,000,000 of common stock, all of which is water and represents no value whatever except the power to extort under the protection of the tariff. Millions of dollars of earnings of this company have been put into improvements and charged up to operating expenses so as to conceal the earning power of this tariff-protected monopoly and increase its assets. Starting with twenty-four mills, it has acquired others, and now has thirty, and with its allies it has a monopoly of the water powers and spruce lands of the country.

Now, Mr. Chairman, the International Paper Company, while it was the greatest combination of paper makers organized under the shelter of this protective tariff, was not the only one. There soon grew up in the West a companion to it, a combination of the paper mills of Wisconsin, Michigan, and Minnesota. That combination of mills, by agreement among themselves, stifled local competition. By an agreement with the International Paper Company they prevented each from going into the field of the other, and under the shelter of the protective tariff which the Dingley bill gave they escaped all competition from abroad.

Mr. PAYNE. I would like to ask the gentleman if print paper was not selling in this country last year, up to about the 1st of January, at less than 2 cents a pound?

Mr. HITCHCOCK. Yes; in some cases slightly less.

Mr. PAYNE. So it was as low as when the tariff was put on in 1897?

Mr. HITCHCOCK. No, sir; it was not. It has never been as low as it was before the Dingley bill was passed, and on that assertion I can cite figures which I have received, showing the actual prices in New York paid by two great papers in New York year by year.

In 1896, before the Dingley bill was passed, both of these papers were paying \$1.65 per hundred for paper delivered in New York, even after the payment of the freight. Last year one of these papers was paying \$2 a hundred and the other \$2.50 a hundred, and I think if there had been any possibility of any paper getting low prices these New York papers would have been able to do so.

It is true there have been fluctuations in the price of paper since the Dingley bill passed. The trust has not always had the field entirely to itself. Now and then there has been some competition from smaller concerns. Sometimes it has fought these, more often it has bought them out or absorbed them. Six mills have been added to the original twenty-four. Temporarily this sporadic competition has reduced prices here and there. The Great Northern Paper Company bid fair at one time to be a real competitor, but terms have evidently been reached, the business divided, and prices agreed upon so that competition has ceased. The final proof of this came last year. During the latter half of the year conferences were held and prices steadily advanced, and finally, on September 5, in the city of New York, at a meeting held between the representatives of the International and all other companies, prices were finally fixed at \$2.50 per hundred pounds delivered in New York for large consumers and \$2.60 for smaller ones. That achieved an arbitrary advance of 25 per cent within one year.

Mr. PAYNE. I know that the small newspaper did pay less than 2 cents—about \$1.90 a hundred—last year. I want to call the attention of the gentleman to another fact, that from 1897 to 1907 wages in the United States increased a good deal more than the price of paper has increased.

Mr. HITCHCOCK. I am glad the gentleman refers to wages, for that brings us to an interesting branch of this subject. These paper makers who induced the Committee on Ways and Means to increase the tariff under the Dingley bill made the statement that they did not do it to increase the profits, but as friends of the laboring men, so as to enable them to pay American wages and to compensate them for the difference between the cost of the wages in the United States and the wages abroad.

Well, Mr. Chairman, this is a familiar argument. We have heard it in every case, in every schedule, and it is the most

hypocritical and utterly discredited argument of all. These paper makers demanded and secured the tariff of \$6 per ton on print paper, when the figures show that the total labor cost in print paper is at the most only \$7 per ton. Does that look as though they were intending merely to compensate themselves for the difference in the labor cost between our country and others? And it is a fact, Mr. Chairman, that in those hearings before that Committee on Ways and Means the uncontradicted statement was that paper was then being made as cheaply in the United States as anywhere else in the world. It was being cheaply made here because American ingenuity had increased the speed of the paper machines and had increased their width, which enormously increased the daily output. Besides this came the discovery or invention of wood pulp, and this greatly cut down the cost of paper, and in eight years reduced the price from 4 cents to less than 2 cents a pound in 1897. These paper makers came before the Committee on Ways and Means and induced that committee to raise the tariff. Mr. Norris, for the newspaper publishers, warned the committee that the paper makers contemplated forming a trust and raising the price of paper under shelter of the tariff to 2½ cents a pound, but he warned in vain.

But now as to the wages. Let us see what the statistics show. The last enormous advance in the price is \$10 per ton. The entire cost of labor in a ton of paper is about \$7. To make all the print paper in America the manufacturers only pay about a little over \$4,000,000 a year in wages and the product even at \$2 per hundred amounts to six times as much. So that labor is a small factor in the production of print paper, being less than one-sixth of the cost. As a matter of fact, the newspapers which are being plundered employ forty times as many wage-earners.

If we examine the last census report, we will not find very complete figures on the print-paper business, because the figures cover in one table all kinds of paper—book and print—and wood pulp as well. Nevertheless the figures are instructive and tell of trust methods and trust tendencies. Compare, for instance, the figures for 1890, which was before the great growth of trusts, with those of 1900, when they had increased enormously. Here are the census figures:

Paper and pulp manufacture.

	1890.	1900.
Capital.....	\$89,829,000	\$167,507,000
Salaries.....	\$1,770,657	\$1,500,000
Wage-earners.....	31,000	49,000
Wages paid.....	\$13,204,000	\$20,746,423
Product value.....	\$78,937,000	\$127,826,000

The effects of trust methods are seen in the enormous increase of capital, much of it largely fictitious; in the enormous increase of salaries, due to the princely salaries which trusts pay, and in the almost equally large increase in the value of the total products, due in part to increased prices. You will note that while the total salaries paid more than doubled, the amount of wages paid only increased about one-half. In 1890 wages represented 16 per cent of the value of the products, ten years later only 15 per cent. Does that look as though labor got its share? Moreover, the average wage of the 31,000 wage-earners in 1890 was \$426 a year. In 1900 the average of the 49,000 wage-earners was \$423 per year. Does that look like an increase in wages?

Now, I am aware that I am using the census figures of 1900, but they are the last that are authentic and available. I am also aware that I am taking figures which include all kinds of paper mills, not only print paper but book paper and wood pulp, but this is the way they are compiled by the Government. They certainly do not show that the Dingley tariff was of any benefit to the wage-earner in the paper mill. It simply enabled the mill owner to rob the publisher.

But, Mr. Chairman, while this paper schedule has created the paper trust, which personally I feel to some extent and of which I know a great deal, I am not here to say there is any greater urgency for the repeal of the tariff on print paper to check the rapacity of this trust than there is for the repeal of the tariff on lumber or any other article controlled by a trust.

In fact, the tariff on lumber produces some of the same evil effects that the tariff on print paper produces, because it offers a giant premium for the destruction of our forests. While every other nation in the world is now conserving its forests, we are, through the tariff, offering a premium to trusts to send wood choppers into them and ruthlessly destroy them.

Mr. GLASS. May I suggest to my colleague, before he gets further away from the question of wages, that the amount of wages paid out by all of the newspapers of the United States

is forty times as much as the wages paid out by the paper manufacturers of the United States?

Mr. HITCHCOCK. My friend is entirely correct. The wages paid by newspapers of the United States, that have no protection, amount to much over a hundred million dollars a year. This exaction of a tariff-protected trust upon the newspapers simply forces them to do with fewer men, to reduce the size of their papers, to cut down their expenses in other directions, or to increase the selling price of their publications. There is no other alternative except bankruptcy.

Mr. GLASS. May I further suggest to my colleague, in response to the chairman of the Committee on Ways and Means, the gentleman from New York [Mr. PAYNE], that he would find it very difficult to produce testimony here that any of the smaller newspapers of this country during the year 1907 obtained their paper supply at less than \$2? I know that I am paying \$2.35, and am threatened with an exaction of \$2.75 for my supply next year. [Applause on the Democratic side.]

Mr. HITCHCOCK. Mr. Chairman, I want also to direct attention to another feature of the situation. As I stated before this House some days ago, there has been during the last twelve months an arbitrary increase in the price of print paper amounting to 25 per cent, not in one case, but in every case where the newspaper was not protected by a long-time contract. What has been the result of that increase?

I have shown you what has been the result as far as many newspapers are concerned. Hundreds have raised their subscription prices and thousands have been forced to cut down their force, to reduce the amount they pay out for wages and other expenses, and to impair the excellence of their papers. But there is yet another side of it. The consumption of print paper in the United States since last September has declined 25 per cent. This is largely due to the great increase in price. What has the paper trust done under these circumstances? Reduced the price of paper? No. I will tell you what it has done. It has shut down mills. The policy is illustrated by telegrams like this which have appeared in the daily press:

PAPER MILLS CLOSE DOWN.

LIVERMORE FALLS, ME., February 12, 1908.

Orders have been received from the New York office of the International Paper Company to shut down the Umbagog mills of the corporation here until further notice. Similar orders have been sent to other mills of the company in New England. The general policy of curtailment is due to the fact that for a time the production has been greater than the needs of the trade.

What a change! Six months ago the paper trust pretended the advance in price was needed because the demand was greater than the supply. Now it is shutting down mills and throwing men out of work because the supply exceeds the demand.

Yes, Mr. Chairman, the consumption of paper has been destroyed by exorbitant prices, and now these pretended friends of the laboring man proceed to throw out of commission very many of their large mills, and throw a large number of their men into idleness. That is another feature of the trust programme—not to mitigate and reduce the price of paper when the pinch comes and consumption declines, but to throw out of work the men whose interests they have pretended to espouse when they asked the committee dominated by the gentleman from Pennsylvania [Mr. DALZELL] to put on this prohibitive tariff.

Let me in passing call the attention of the House to another act of the International Paper Company last year while it was trying to starve the American paper market while the prices were being raised. In order to help create the paper famine in the United States, it became necessary to take precautions to prevent desperate newspapers of our country from buying paper in Canada, duty and all. So this International Paper Company bought 17,000 tons of paper in Canada during the year and shipped it to Europe. President Burbank, of the International Paper Company, has admitted this in the New York Evening Post.

But, Mr. Chairman, I am not standing here to plead as a newspaper publisher that this tariff above all other tariffs should be taken off. Publishers have no greater grievances or equities than other victims of other tariff-protected trusts. I believe it is just as important to put upon the free list every article that is controlled by a trust and consumed by the people as it is to put print paper upon the free list. I stand for free lumber. I believe that the tariff on steel, amounting to 30 or 40 per cent, should at least be very much reduced. The steel trust, like the paper trust, came before the Ways and Means Committee. They asked and they secured in the Dingley bill a great protective tariff. My impression is that it averages something like 33 per cent, and yet the figures in the United States statistical reports show that the total labor

cost in the average steel product is less than 17 per cent. In other words, the steel trust has twice as much protective tariff as is required to pay the whole labor cost in the average steel product.

Mr. Chairman, I come from the West. We out there have largely subdued a wilderness. We have built railroads and bridges, we have built cities, we have built churches, homes, schools, and all the other features of civilized life, and yet in every effort that the West has made to develop itself it has been handicapped by the fact that the western producer has been compelled to pay exorbitant prices to the lumber trust for his lumber, exorbitant prices to the steel trust for his steel, and to all the other trusts excessive prices. In that way the cost of our railroads has been enormously increased and the cost of our freight and passenger service made burdensome. We, in the West, being the producers of much of the nation's wealth and most of its food, feel that we have been imposed on. We derive no benefit from a tariff made by and for the trusts. We, like the producing classes in other parts of the country, are bearing the burdens which have been placed upon the shoulders of the American people for the purpose of enriching a few great interests here in the East that have such ready access to the willing ears of the gentlemen of the Committee on Ways and Means in this and other Republican Congresses. [Loud applause on the Democratic side.]

Mr. MOON of Tennessee. Mr. Chairman, I yield thirty minutes to the gentleman from Missouri [Mr. SMITH].

Mr. SMITH of Missouri. Mr. Chairman, I desire to yield ten minutes of my time to the gentleman from Tennessee [Mr. GAINES].

Mr. GAINES of Tennessee. Mr. Chairman, I would not address the committee to-day if I did not feel some one from this side should reply to certain statements made to-day by the gentleman from Indiana [Mr. CHANEY]. In substance, Mr. Chairman, he stated that the panic of 1893 was produced by the Democratic Administration which came into power March 4, 1893. Mr. Chairman, that is a chronic statement. As a matter of fact, the McKinley tariff was a deficit producer from the second or third month of its life, and from month to month, with few exceptions, down to its death, and I challenge the gentleman from Indiana, and I challenge any man on that side of the House, to successfully dispute the proposition. I have the figures right here, and I propose now to read just a few of these figures to show the gentleman that my statements are absolutely correct. The law took effect on the 28th of August—

Mr. POLLARD. May I interrupt the gentleman?
Mr. GAINES of Tennessee. If the gentleman will be quick.
Mr. POLLARD. I would like to inquire from what the gentleman is reading?

Mr. GAINES of Tennessee. From the last Democratic campaign book, which I in part compiled, taking Republican figures out of Republican reports, and I have the reports at my desk if the gentleman wants me to read from them. If he does so, I will read from them. [Applause on the Democratic side.] But these figures, sir, are official figures taken from duplicate copies of the monthly reports sent out by the Secretary of the Treasury, and these copies, my dear sir, are now on file in my office where I keep them to read to doubting Republicans who, even at this day, doubt the facts that the figures are as I state them, notwithstanding Republicans compiled them and the adding machine in the Committee on Appropriations summed them up for me, and after the officer in charge of that machine did that for me I employed four or five other experts to add up these figures, and they did so. The additions are correct, and the original figures are taken from these monthly reports.

The McKinley tariff took effect October 6, 1890. In October, 1890, the Treasury "receipts," in round number, were \$40,000,000, "expenditures" \$38,000,000. Now, the second month comes—November, 1890, receipts \$28,000,000, expenditures \$42,000,000. There is a deficit right there in the second month of the McKinley tariff. There was a deficit, Mr. Chairman, in February, 1891. The receipts were \$29,000,000 and \$31,000,000 expenditures. There is a deficit in March, 1891, receipts, \$29,000,000 and expenditures \$31,000,000. I am using round numbers.

There was a deficit in May, 1891. The receipts were \$31,000,000 and expenditures \$35,000,000. There was a deficit in July, 1891—\$34,000,000 of receipts and \$39,000,000 of expenditures. In October there was a deficit—receipts \$28,000,000, expenditures \$31,000,000. In November, 1891, the receipts were \$26,000,000 and the expenditures were \$27,000,000—another deficit. In December, 1891, the receipts were \$27,000,000 and expenditures \$31,000,000—a chronic deficit producer was this Republican tariff. In January, 1892, the receipts were \$30,000,000, the expenditures \$35,000,000. In April, 1892, the receipts were \$27,000,000 and the expenditures \$31,000,000.

Mr. CHANEY. May I ask the gentleman a question?
The CHAIRMAN. Will the gentleman from Tennessee [Mr. GAINES] yield?

Mr. GAINES of Tennessee. Just a moment, and I will yield gladly.

In May, 1892, the receipts were \$28,000,000 and the expenditures were \$32,000,000, making in the twenty months of the McKinley tariff \$603,674,423 receipts, while the expenditures were \$612,697,000, making a deficit of \$9,022,685.11, to be exact. Now, then, that occurred before Mr. Cleveland was even nominated and during twenty months of Harrison's Administration under the McKinley tariff.

Mr. CHANEY. The gentleman certainly does not think it was the Dingley tariff?

Mr. GAINES of Tennessee. No; the McKinley tariff. I submit the table from which I have read, as follows:

Operation of the Treasury Department under the McKinley tariff act of October 6, 1890, repealed by the Wilson tariff act of August 28, 1894, covering a period of forty-seven months.

BEFORE CLEVELAND'S NOMINATION.

Month.	Receipts.	Expenditures.
October, 1890 ^a	\$40,215,894.29	\$38,066,664.24
November, 1890.....	28,983,124.71	42,570,022.40
December, 1890.....	31,870,039.87	21,888,550.00
January, 1891.....	37,055,973.25	23,981,809.07
February, 1891.....	29,611,318.02	31,725,000.83
March, 1891.....	29,418,330.46	31,502,941.60
April, 1891.....	26,045,831.64	25,331,194.03
May, 1891.....	27,417,425.94	29,772,085.15
June, 1891.....	31,721,749.51	35,902,971.96
July, 1891.....	34,300,344.68	39,719,651.13
August, 1891.....	28,881,851.10	20,738,020.95
September, 1891.....	28,001,247.25	23,984,801.19
October, 1891.....	28,500,552.21	31,872,268.02
November, 1891.....	26,917,162.72	27,911,002.30
December, 1891.....	27,932,953.73	31,821,889.67
January, 1892.....	30,542,728.60	35,663,622.60
February, 1892.....	30,755,904.57	27,482,050.13
March, 1892.....	30,048,806.33	28,989,589.79
April, 1892.....	27,888,354.04	31,068,078.97
May, 1892.....	23,498,798.45	32,755,473.39
Total.....	603,674,423.37	612,697,108.43

Deficit for twenty months, \$9,022,685.11.
^a McKinley Act took effect October 6, 1890.
^b Deficit.

Now, Mr. Chairman, I challenge any man on top of the earth to successfully dispute these figures. These deficits occurred before Cleveland was elected, beginning nineteen months before he was nominated, in June, 1892.

Mr. CHANEY. Was it not in anticipation of his election?

Mr. GAINES of Tennessee. These deficits began away back yonder, in November, 1890, the second month of the McKinley tariff, and Cleveland was not nominated until June, 1893. Now, then, "after Cleveland's nomination," in June, but before his election, there was a deficit, Mr. Chairman, July, 1892. The receipts were \$34,000,000 and the expenditures \$37,000,000. There was a deficit in October, 1892, \$31,836,138 of receipts, and \$31,881,250 of expenditures. There was a deficit the next month, November—receipts, \$28,000,000; expenditures, \$30,000,000. There was a deficit the next month, December—receipts, \$33,000,000; expenditures, \$34,000,000. There was a deficit the next month, January, 1893—receipts, \$35,000,000; expenditures, \$39,000,000. In February there was a deficit.

The total receipts for the nine months after Cleveland's nomination and before his inauguration, March 4, 1893, were \$290,728,240.65, expenditures, \$295,026,711.78, or a total deficit for the nine months of \$4,298,471.13; to be exact. I submit this table from which I have read:

AFTER CLEVELAND'S NOMINATION.

Month.	Receipts.	Expenditures.
June, 1892 ^a	\$31,219,117.98	\$28,940,634.25
July, 1892.....	34,571,356.25	37,249,407.01
August, 1892.....	34,032,928.53	32,089,779.53
September, 1892.....	31,841,278.66	28,917,798.74
October, 1892.....	31,836,138.21	31,881,250.13
November, 1892 ^b	28,794,645.88	30,748,832.78
December, 1892.....	33,212,911.10	34,277,123.58
January, 1893.....	35,309,972.31	39,238,381.68
February, 1893.....	30,009,892.23	31,677,454.00
Total.....	290,728,240.65	295,026,711.78

Deficit for 9 months, \$4,298,471.13.
^a Cleveland nominated June 21, 1892.
^b Deficit.
^c Cleveland elected.

The McKinley tariff law was not repealed until August 28, 1894, when the Wilson tariff law took effect. The Sherman silver law was not repealed until the summer of 1893.

Cleveland is President on March 4, 1893. Let us see how this McKinley tariff continued to produce deficits—right along, chronic, you see.

April, 1893, the receipts were \$28,000,000, expenditures \$33,000,000. In July the receipts were \$30,000,000 and the expenditures \$39,000,000; in August, receipts \$23,000,000 and \$33,000,000 of expenditures; and then there was a deficit the next month, and the next month, the next month, the next month, the next month, the next month, the next month, and then skipped a month; a deficit the next month, August, 1894 (the last month of the McKinley Act), making almost an endless monthly deficit for forty-seven months. From March, 1893—with the McKinley tariff act still in full force—to August, 1894, eighteen months, the receipts were \$1,388,287,167; expenditures, \$1,468,302,165—a deficit of over \$80,000,000; to be exact, \$80,014,998.70.

AFTER CLEVELAND'S INAUGURATION.

Month.	Receipts.	Expenditures.
March, 1893*	\$34,437,844.90	\$32,372,907.73
April, 1893	28,599,942.29	33,771,355.73
May, 1893	30,971,497.64	30,872,502.79
June, 1893	30,983,921.85	29,263,451.30
July, 1893	30,905,776.19	39,675,838.60
August, 1893	23,890,885.30	33,305,223.48
September, 1893	24,582,756.10	25,478,010.17
October, 1893	24,553,394.37	29,583,702.34
November, 1893	23,979,400.81	31,302,026.41
December, 1893	22,312,027.00	30,958,200.51
January, 1894	24,062,738.97	31,309,689.59
February, 1894	22,269,299.46	25,725,373.81
March, 1894	24,842,797.79	31,137,590.24
April, 1894	22,692,364.26	32,072,836.42
May, 1894	23,066,964.32	29,779,140.92
June, 1894	26,485,925.72	25,557,021.23
July, 1894	34,809,339.75	36,648,582.53
August, 1894*	40,417,605.81	31,656,636.85
Total	1,388,287,167.24	1,468,302,165.94
		1,388,287,167.24
Total deficit for 18 months		80,014,998.70

- * Cleveland inaugurated.
- † Deficit.
- ‡ Wilson tariff took effect August 28, 1894.

These tables are based upon the "Comparative statement of expenditures and receipts of the United States," which (see appendices, Democratic campaign book, 1906, p. 252) is issued monthly by the Treasury Department and is printed in the RECORD of June 20, 1906, pages 9047 to 9051, in so far as they cover the operations of the Treasury under the McKinley tariff, from and including October, 1890, down to and including February, 1893—four days before the second inauguration of Mr. Cleveland.

In the face of these official figures, the Republicans charge: That the first deficit under the McKinley tariff was November, 1892 (when, in fact, it first occurred November, 1890, as shown above); that this deficit and all others under the McKinley tariff were caused by the election of Mr. Cleveland and a Democratic Congress in November, 1892; and that their election caused the panic of 1893, when, in truth, the Treasury was virtually bankrupt long before the nomination, election, or inauguration, March, 1893, of Mr. Cleveland.

The CHAIRMAN. The time of the gentleman has expired. Mr. GAINES of Tennessee. In extending my remarks I submit the reports of Secretaries Windom and Foster, which show we began to lose, by exportation, our gold in 1890—under Republican laws and Republican Administrations.

ANNUAL REPORT, 1890, BY WINDOM.

The report of the Secretary of the Treasury (Windom), December 1, 1890, says:

"The loss of precious metal by net export during the year was: Gold, \$4,253,057; silver, \$8,545,455."

The Sherman and McKinley laws took effect in the summer of 1890. LOST OUR GOLD UNDER THE MCKINLEY AND SHERMAN LAWS, MR. FOSTER'S ADMINISTRATION.

In his first annual report, dated December 7, 1891, Mr. Foster said: "The loss of gold by net export during the fiscal year was \$67,946,768."

"The loss of gold by exports was materially larger during the last fiscal year than in any recent years. The heavy movement commenced in February, 1891, and did not cease until the close of July. The total amount exported from the port of New York during this period was \$70,223,494.31."

"It is gratifying to report that a return movement of gold is well under way, which has aggregated since the 1st of July, at the port of New York alone, \$27,854,000."

"In the report of the Director of the Mint will be found an article treating in detail of the movement of gold of the United States, and pointing out some of the causes which are believed to have operated to produce the same."

On this subject, November 1, 1892, the Mint Director, Mr. Leech, in part, said:

REMARKABLE EXPORTS OF GOLD.

"In the summer of 1890, a movement of gold from this country occurred, which, while by no means as serious in amount as its predecessor, was somewhat remarkable as a monetary transaction, considering the low rate of sight sterling exchange which obtained during the period."

"This movement aggregated in less than two months the sum of \$15,672,982."

SERIOUS TROUBLE.

"In February of the present year (1891) another movement of gold to Europe commenced, which did not cease until the close of July, * * * caused by far the most serious loss of gold which this country has sustained for many years. The total amount exported from the port of New York was \$70,223,494.31."

"The heavy losses incurred by European capitalists in South American countries, the resulting financial disturbances and uneasiness, etc., not only greatly restricted this credit, but led to a continuous pressure, more or less strong, for gold to strengthen the reserves of the banks in England, France, and Germany."

"Russia, at the same time, withdrew from the depositories of Western Europe large quantities of gold, thus adding greatly to the drain and increasing the pressure for the import of gold from the United States, this country being the only outside port from which gold in large amounts could be readily drawn."

"It is a well-known fact that the Bank of England paid a premium for American gold coin, and increased that premium from time to time as the financial crisis grew more threatening."

BALANCE OF TRADE AGAINST US.

"The balance of trade, for these reasons, being against us, and the pressing need for gold in London, Paris, and Berlin, I count very largely for the heavy export of gold during these five months."

ANNUAL REPORT, DECEMBER, 1892.

In his report, issued February 5, 1892, Secretary Foster said: "The net loss of gold by exports during the fiscal year was only \$142,654, against a loss in the preceding fiscal year of \$67,946,768."

MINT REPORT, 1892.

The mint director, Mr. Leech, in his report, November 1, 1892, after repeating the causes of our export loss of gold, recited in his report for 1891, as above given, gave two additional reasons for this gold movement to wit:

(1) "The Austrian Government has been making strenuous exertions during the last year to obtain sufficient gold for a strong basis in establishing a gold standard for its currency."

ONE GREAT CAUSE.

(2) "One great cause of continued large shipment of gold is, as stated by all exchanges and financial writers, the distrust of the United States securities raised in the minds of European investors by the large and increasing preponderance of silver over gold in the reserve held for the redemption of our paper currency."

Thus we see Mr. Foster, in effect, condemned both the Sherman and the McKinley tariff laws, while Mr. Leech condemns the Sherman law as causing our troubles. Whether both or either law caused us to lose our gold, a deficit in the Treasury, or the panic of 1893, or all three, the fact remains that they were both Republican laws, operating under a Republican Administration, and the Democrats had voted against their enactment and afterwards denounced as "cowardly makeshift," partially repealed, the Sherman law November 1, 1893, and later repealed the McKinley tariff.

MR. FOSTER OMITTED TO TELL.

Although Mr. Foster's testimony before the House committee, February 25, 1893, covers nearly nineteen pages, yet it fails to show that four days before—February 20—Mr. Foster had issued this bond-plate order, which reads as follows:

COPY OF FOSTER BOND-PLATE ORDER.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., March 25, 1897.

SIR: I have the honor to acknowledge the receipt of your letter of this date, requesting the original letter, or a certified copy thereof, written by Mr. Secretary Foster February 20, 1893, addressed to the Chief of the Bureau of Engraving and Printing, authorizing the preparation of certain plates. In compliance with said request I submit below a correct copy of the letter in question, also a copy of the text of the proposed bond.

[Copy of letter.]

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., February 20, 1893.

SIR: You are hereby authorized and directed to prepare designs for the 3 per cent bonds provided in a Senate amendment to the sundry civil bill now pending. The denominations which should first receive attention are 100s and 1,000s of the coupon bonds, and 100s, 1,000s, and 10,000s of the registered bonds. This authority is given in advance of the enactment, in view of pressing contingencies, and you are directed to hasten the preparation of the designs and plates in every possible manner. I inclose a memorandum for your guidance in preparing the script for the body of the bond.

Respectfully, yours,

CHARLES FOSTER, Secretary.

The CHIEF OF THE BUREAU OF ENGRAVING AND PRINTING.

[Text of the bond.]

WASHINGTON, April 1, 1893.

This bond is issued in accordance with the provisions of section — of an act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1894, and for other purposes," approved March 3, 1893, and is redeemable at the pleasure of the United States after the 1st day of April, A. D. 1898, in coin of the standard value of the United States on said March 3, 1893, with interest in such coin from the day of the date hereof at the rate of 3 per cent per annum, payable semiannually on the 1st days of October and April in each year. The principal and interest are ex-

empt from the payment of all taxes or duties of the United States, as well as from taxation in any form, by or under State, municipal, or local authority.

Respectfully, yours,

L. J. GAGE, *Secretary.*

HON. JOHN W. GAINES,
House of Representatives.

The original order was on file December 25, 1897, in the Bureau of Engraving and Printing, Washington, D. C.

Senator Sherman introduced an amendment to an appropriation bill—sundry civil—in the Senate to enact a law permitting the issuance of these bonds. The order, dated February 20, 1893, itself in part reads:

"This bond is issued in accordance with the provisions of section _____ of an act entitled 'An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1894, and for other purposes,' approved March 3, 1893."

This shows this order, dated February 20, was given to issue bonds under a law yet unapproved to be "approved March 3, 1893." The Senate passed the Sherman amendment, but the House defeated it. The Democrats inheriting an empty Treasury, Mr. Carlisle issued bonds under the old law.

Recent letters on this subject from Mr. Carlisle and others read thus:

HOUSE OF REPRESENTATIVES,
Washington, May 29, 1906.

HON. JOHN G. CARLISLE,
30 Broad Street, New York, N. Y.

MY DEAR SIR: The inclosed extract from the CONGRESSIONAL RECORD contains a statement made by Gen. Charles H. Grosvenor, of Ohio, on the 26th instant.

If you feel inclined, I would be glad to know whether or not the references therein made to you are correct. You will recall that the order to the Director of the Bureau of Engraving and Printing was issued by Secretary Foster in February, 1893. Mr. Grosvenor undertakes to create the impression from this letter that this order to prepare the plates for the printing of the bonds was made not for the purpose of meeting a deficit in the public revenues which existed or would exist at the end of the Harrison Administration, but was made at your suggestion.

I write this letter after conferring with Mr. WILLIAMS of Mississippi, as we do not want the statement of Mr. Grosvenor to go uncontradicted if it is not correct.

I would be glad to have authority to use any reply you may make to this letter.

Very truly, yours,

C. L. BARTLETT.

CURTIS, MALLET-PREVOST & COLT,
ATTORNEYS AND COUNSELORS AT LAW,
30 BROAD STREET,
New York, June 5, 1906.

HON. CHARLES BARTLETT,
House of Representatives, Washington, D. C.

DEAR SIR: On my return to this city I find your favor of May 29, with its inclosure. Two or three years ago I received a letter from the Hon. Judson Harmon upon the same subject, which I answered, stating, in substance, that I had no connection whatever with the arrangement said to have been made between my predecessor, Hon. Charles Foster, and certain New York banks, by which they were to advance to the Treasury Department the sum of \$50,000, or any other amount, in gold or otherwise. I never heard of that arrangement until some months after I had become Secretary of the Treasury, and then my information was derived from the Bureau of Engraving and Printing, to which an order had been sent by my predecessor for the printing of the contemplated bonds. I never had any conversation with Mr. Gorman or my predecessor upon that subject, but, according to my best recollection, I had interviews with both of them in relation to the amendment which Mr. Sherman had offered and which is referred to in the letter you inclose to me. I approved of that amendment. In view of the condition of the Treasury Department at that time, it was my opinion that the Secretary of the Treasury should be clothed with the power which the Sherman amendment conferred upon him, in order that, if it should become necessary to do so, he might procure gold by issuing and selling a 3 per cent bond instead of bonds bearing 4 per cent and 5 per cent, which were the only ones then authorized by law. In addition to the withdrawals of gold from the Treasury, which were then going on at a rapid rate, the monthly receipts had been for several months previous to that time, and were then, less than the monthly expenditures of the Government, as will be seen by an examination of the official records of the Department.

Yours, truly,

J. G. CARLISLE.

Mr. SMITH of Missouri. Mr. Chairman, before confining myself to the matters upon which I shall crave the attention of the committee during the time allotted to me, I desire to point out certain bills, germane to this subject, which have been introduced into this Congress by me. They are as follows:

A bill to prevent the use of the mails for the transmission of information obtained by fraud by detective agencies.

Also, a bill to prevent the imprisonment of persons arrested for contempt without a trial by jury.

Also, a bill to prevent the charge of conspiracy being made where two or more persons agree to do, or to procure to be done, any act in furtherance of a trade dispute between the employer and the employee in relation to interstate commerce, etc., if such act committed by a single person would not be criminal.

Also, a bill to limit the hours of employment of laborers and mechanics upon public works in the United States to eight hours a day.

Also, a bill to amend the Sherman antitrust law so as to relieve trade unions and agricultural associations or alliances from its provisions.

I also wish to mention the important fact that there is a wonderful activity on the other side of this House in behalf of labor and its claims biennially—just before the fall elections.

All sorts of bills are introduced for labor and to ameliorate labor conditions, and now and then a timid labor speech is made here in the House and spread broadcast over the country, while the Committees on Labor and on the Judiciary are organized by the "Big Five," which includes "Uncle Joe," solidly against the possibility of any favorable labor legislation. I would not make this statement if it were not absolutely true. Time has proved it over and over and will prove it again when this Congress has adjourned.

I may further add that for the last ten days hearings against an eight-hour bill, which seeks to establish the eight-hour day in all works of a national character and done under contract with the Government, before a committee of which I am a member, have been practically the same hearings on the same subject had before this committee for more than ten years past, and it is perfectly apparent that they are being had and held from day to day, not for the purpose of obtaining new information, but for the purpose of killing time and ultimately to kill the bill.

The first matter on which I desire to speak briefly is germane, as I understand it, to the report of the Committee on Post-Offices and Post-Roads, which is now before this committee. It was prepared first in the form of an amendment to the criminal code, but it appears now that the criminal code will not likely be taken up again in the Committee of the Whole House, and hence I have introduced the amendment as a bill.

The purpose of the bill is to prohibit the transmission through the mails of information obtained from any company or voluntary association through some form of fraud.

It seeks to regulate the handling of postal matter, and the kind that ought to be handled by the Government, without the Government being open to the charge of aiding and abetting the consummation of plots and schemes only possible of execution by means of the mails. Is it not as immoral and subversive of social purity and good government to break down and crush trades unions and thereby injure tens of thousands of innocent men, women, and children, by the work of the iniquitous sleuth operating through the mails, as it is to promote a lottery scheme or some fraudulent stock enterprise or to advertise some unmentionable article calculated to corrupt and injure public morals in some way?

Sections 3893 and 3894 are leveled against fraud in its many diverse phases or against some form of immorality frequently exploited by the unprincipled charlatan to make money. The main purpose of my bill is to protect labor and trades unions in their lawful rights against the commercial sleuth, who has been described by a genius in description in these words:

Who never did anything in his life but lie and cheat and scheme, for the life of a commercial detective is a living lie; that is his business; he lives one; from the time he gets up in the morning until he goes to bed he is deceiving people and trapping people and lying to people and imposing upon people—that is his trade.

Should my bill become a law, it would in a measure protect all voluntary associations from spies, imposters, and traitors. Such organizations are admitted to be lawful and have a right to exist and prosecute the object of their creation. On this point the President, in his first message to this Congress, says:

Modern industrial conditions are such that combination is not only necessary but inevitable. It is so in the world of business, just as it is so in the world of labor, and it is as idle to desire to put an end to all corporations and to all big combinations of capital as it is to desire to put an end to combinations of labor. Corporation and labor union alike have come to stay. Each, if properly managed, is a source of good and not evil.

THE CRIMINAL USE OF THE DETECTIVE.

This particular phase of detective work was brought to my attention last summer while attending the trial of William D. Haywood at Boise, Idaho. For days I sat a spectator of one of the best-conducted courts that it has ever been my pleasure to witness. An ideal judge is Judge Fremont Wood, of Idaho—clear of head, honest of heart, and bold of purpose, yet simple as a child—a noble specimen of the true judge. He performed his duty seemingly impervious to "the slings and arrows" of a political press and an active, surging personal influence that beat upon him from every quarter. Unlike Pilate, he declared the law as he found it and let the mob cry, "Crucify, crucify." A stout, honest, noble purpose, backed up by the real man, compels silence in the storm, and the admiration of all, even persecutors. For days witness after witness, under oath, in the presence of this Daniel of the woolsock, testified to the plots and intrigues of the Pinkertons to hang Haywood. Our holy religion was prostituted by and for the benefit of this gang of freebooters of men's lives, honor, and the mine owners' gold. I doubt if there be another such case of real diabolism on record as the Pinkerton plot, hatched to galvanize and garnish into respectability the notorious criminal degenerate, Harry Orchard, so that his evidence would weigh sufficiently strong to hang Haywood. I saw and heard Orchard testify, and speak

from what I saw and what I heard, and that he was, and is, what Clarence Darrow pictured him, there can be no doubt. He said:

Let us take a short view of this fellow. Who is he? And is he converted? We will find out whom we have got to deal with before we deal with him. I have sometimes thought I had a fair command of language, but it fails when I get to describing Harry Orchard, so I will just call him Orchard, and let it go at that. Who is this fellow upon whose testimony you gentlemen are asked to shift this crime to Haywood. Let us see: He is unique in history. If he is not the biggest murderer who ever lived, he is the biggest liar, at least, who ever lived, and I undertake to say that the record of the English and American courts can not show a single man who has been impeached by as many witnesses as Harry Orchard. Why, gentlemen, if Harry Orchard were George Washington, who had come into a court of justice with his great name behind him, and if he was impeached and contradicted by as many as Harry Orchard has been, George Washington would go out of it disgraced and counted the Ananias of the age. No man living could stand up against it excepting a phenomenal murderer like Orchard. If you had a lawsuit about a horse or a cow and you would go on the stand and thirty men would dispute you, what would you expect? Would you expect any jury to believe you? And yet when you take an infamous wretch like Orchard and contradict him by thirty or forty witnesses, a large number in every way disconnected with this case, lawyers tell you to believe him and take away a man's life on his testimony. All right, gentlemen, if you can afford to do it go ahead and do it.

Is there any man that can ever think of Harry Orchard—Is there any sane man, I will say, who can ever think of Harry Orchard—except in loathing and disgust? You have seen him here. You have heard his story. You have seen him sleek and fat and well fed, facing this jury day by day asking for this man's blood. Do you ever want to see him again? Do you ever want to hear his name again? In the future, when you are trying to find the most infamous word that the English language has given us, can you think of anything but Orchard? Do you want to read a paper again with his name in it? And yet, gentlemen, upon the testimony of this brute—this man who would assassinate his own 9-year-old girl with a dagger a thousand times more malicious and deadly than one that kills—upon his testimony you are asked to get rid of Bill Haywood. For what? Does anybody else attack his name? Anybody else swear against him? Has any other voice been raised to accuse him? Oh, no. You are asked to take his life because down in Colorado and up in the Coeur d'Alenes he has been against the Mine Owners' Association, and because he has been organizing the weak, the poor, the tollers—has been welding together in one great brotherhood those men—has been calling them to fight under one banner for a common cause; and for that reason he has raised up against him the power of this body of men, and you are asked to kill Bill Haywood.

I sat beside Professor Muensterberg, the eminent Harvard psychologist, and saw him making his observations of the trial and of Orchard, and was yet a spectator, after he had made his tests of Orchard, and had given to the eastern press an interview in which he said that every word of Orchard's testimony and "confession" was true. This is the way he told it:

Orchard's confession is every word of it true. I went to Boise for the special purpose of studying Orchard and every facility for investigation was given me by both sides. I attended the court sessions day after day and heard the evidence. I also visited the penitentiary and made a psychological examination of Orchard, lasting eight hours. This examination included a number of psychological tests. I also went into the opinions and general make-up of the man. But it is impossible to sketch results in a popular way without giving the psychological data upon which my conclusions rest. It is my intention to prepare an account of my investigations for one of the psychological reviews—an account of interest to psychologists. My interest in the Haywood trial, I ought to explain, is partly due to the interest I take in the bearing of psychology on law, with especial reference to such questions as those of moral responsibility. I was very much impressed with the dignity that characterized the whole of the court proceedings. The attitude of the judge and the prosecuting officers—the entire court proceedings, in fact—impressed me the most favorably; and while I say that every word of Orchard's confession is true, I must say, from personal observation, that Haywood is having an absolutely fair trial.

EXPERT ANALYSIS OF ORCHARD'S CHARACTER.

Orchard is a remarkable criminal, mentally. He is the most extraordinary criminal I have ever examined, and I do not mean because of the record of assassination to which he confesses. He is complex. In one respect, he is very emotional and extremely sensitive to suggestions, while when approached from other directions there is an apparent absence of feeling of sentiment. He is a man of some confidence in himself, sometimes, and yet timid under other circumstances. Orchard has a very alert mind; he is singularly keen. My measurements, as well as my oral examination of him, show that his mind is not only active and accurate, but he has a very quick perception—he anticipates. In fact, for mental alertness few Harvard students would measure up to him. That feature of his case impressed me more than every other. I have been impressed by the fairness with which the trial is being conducted, and I have been agreeably surprised by the temper of the people there. No one I have met wishes a conviction unless the evidence warrants it, and the attorneys for the prosecution impress me as very earnest in their desire that the verdict shall be a just one.

Contrast this complacent opinion of the famous expert with the verdict of the jury. Let me retrospect a little. The twelve men who tried Haywood were selected from 265 citizens of Ada County, three of whom were labor sympathizers. The others were bankers, merchants, real estate men, office clerks, farmers, and a carpenter. Farmers, a carpenter, and real estate men constituted the jury which tried Haywood, all men of intelligence and good character; but there was not a real labor sympathizer among them. They heard the witnesses that had been gathered from all the Rocky Mountain and Pacific coast States by the Pinkertons. They went into the jury box natu-

rally class biased. All that money could do, all the garbled, fragmentary, crooked evidence that black intrigue could rake and scrape together with money—and it cost the State of Idaho more than \$100,000 to conduct this trial—could avail nothing, and with as good legal talent as could be found in all the West to manage this incoherent mass of material, the State failed, woefully failed, the alleged "red-handed murderer" was turned loose in a remarkably short time after the arguments were closed. In the name of common experience and justice, who was right? That jury, or Professor Muensterberg? The professor says the trial was fair.

It is not necessary to dwell at length upon the wickedness practiced in this case—the flagrant, wholesale scoundrelism of the Pinkerton chief and his tools—his gun men and treacherous minions who acted their part for money. The same corrupting influence which purchased Judas Iscariot; and Gehazi, the servant of Elisha, who lied to get money from Naaman, the leper, who had been cured by Elisha; and Achan, who stole the wedge of gold, the Babylonian garment, and other riches from the spoils of Jericho against the command of Joshua, was used in the attempt to barter away the life of Haywood. You will recall the punishment meted out to these miserable outcasts. But I would not, if I could, visit such punishments upon this band of freebooters, perjurers, and traitors, but I would discredit them in the eyes of the law and the world and drive them out of this kind of business, instead of making them the associates and handmaidens of the captains of American industrialism and the manipulators of the post-office establishment.

HISTORY OF DETECTIVE AGENCIES.

At first the service of the Pinkerton agency and similar agencies was such as would be called legitimate, for they devoted their efforts to running down violators of the criminal law who were hard to capture—forgers, assassins, ravishers, and other like atrocious criminals. This was their business for twenty years or more after the civil war, and they do some of that kind of work yet, but if they depended upon that class of work alone the number of operatives would be greatly decreased and you would hear not so much of the Pinkertons. In passing, let me remind you that my bill does not interfere with this character of work in the least. The man who follows the work of chasing criminals will necessarily grow cunning, and the lower qualities of his mind will be developed and he will soon become doubtful of all men's honesty. Like the libertine, who doubts every woman's virtue, his low calling fixes his opinion of female chastity. So the business of the detective, in time, leads him to believe that all men, in a greater or less degree, are criminals.

But the work of trailing and capturing criminals has come to be the smallest part of the work of Pinkerton's National Detective Agency. The agency represents, in its capacity as a legitimate secret service organization for the apprehension of criminals, the American Bankers' Association, the Jewelers' Protective Union, the Jewelers' Security Alliance, and the Railway Protective Bureau. This feature of the work of the Pinkertons is cleverly exploited in the news columns of the United States. The Pinkerton agency is supposed to exist and to make money upon the returns for this work. It is generally believed that the agency's great corps of operatives is supported, and its eighteen offices kept up in good style, on the money paid for the apprehension of real criminals. But it is a fact that, with only this income, the Pinkerton agency would soon have to go out of business, because the expenditures would be greater than the receipts. In support of this statement, I would like to quote from a booklet published by Morris Friedman, of New York, a former employee of the Pinkerton agency—a confidential secretary to James McParland—and Friedman's statements have never been denied in one particular. This is what he says:

The agency does very little criminal work outside of what operations it gets from the bankers, jewelers, and railway ticket bureau, and the bulk of this business is handled by the New York and Chicago offices. However, the institution has over eighteen branches and all these branch offices sail the sea of prosperity under the same flag as the New York and Chicago offices. It is therefore of interest to figure out, as nearly as possible, how much money a branch office makes from criminal work. The Denver agency is one of the most prosperous branches in the country, and we shall take that office as an example.

ANNUAL EXPENSE OF OFFICE AT DENVER.

The following financial tables, as applied to the Denver office, are approximately correct, and demonstrate the financial workings of the agency very clearly:

A week's expense in running the Denver office of Pinkerton's National Detective Agency:	
Salary of manager western division	\$45.00
Salary of superintendent	35.00
Salaries of four assistant superintendents	115.00
Salary of chief clerk	19.00
Salary of bookkeeper	18.00
Salary of cashier	18.00
Five stenographers, at average salary of \$14 each	70.00

Salary of office boy.....	\$5.00
Salary of private janitress.....	4.00
Office rent.....	35.00
Stationery.....	12.00
Interagency telegrams.....	5.00
Telephone.....	2.50
Postage.....	10.00
Thirty operatives, at average salary of \$15 each.....	450.00

Total office and operating expense for one week..... 841.50

Total office and operating expense for one year, \$43,758.00.

It often happens that three or four weeks pass by without Denver having even one criminal operation on hand; but, for argument's sake, we are willing to give the office credit for having as many as five criminal operations a week, every week in the year. The regular agency rate for the services of operatives is \$8 per day per man and expenses; but large corporations and the societies previously mentioned get a special rate of \$6 per day per operative and expenses. Therefore, five operatives at \$6 per day yield an income of \$210 per week, or \$10,920 per year.

Total agency expense per year.....	\$43,758
Total annual agency income from criminal work.....	10,920

Net annual loss to the Denver agency..... 32,838

It is plain that if the Denver office were to lose the large amount of \$32,838 year after year, the agency could not hope to remain in business. It is also reasonable to assume that if the conditions which prevail at the Denver office hold good at all other offices, the Pinkerton institution would lose more than \$500,000 every year. That the agency could not afford to lose millions in this manner is something everyone will perceive. That the agency is making instead of losing millions, the following financial tables conclusively prove:

Denver agency's annual income from criminal work:

Five operatives at \$6 per day..... \$10,920

(This leaves twenty-five operatives unaccounted for. Of these twenty-five operatives at most seven only are working for the special rate of \$6 per day.)

Annual income from seven operatives at special rate of \$6 per day..... 15,288

Annual income from eighteen operatives at regular rate of \$8 per day..... 52,416

Total annual income of Denver agency for thirty operatives..... 78,624

Total Denver agency annual income..... 78,624

Total Denver agency annual expense..... 43,758

Total Denver agency net annual profit..... 34,866

If the Denver office handled criminal detective operations exclusively, the net annual loss would be..... 32,838

Far from losing, the Denver office profits annually..... 34,866

Which is a clear difference of..... 67,704

The Denver office of the Pinkerton agency therefore has an income of \$67,704 a year, absolutely independent of its income resulting from bona fide criminal operations. And can there be any questioning the source of this large income? As well question the existence of the sun at night because it is not visible as doubt that the Pinkerton agency is making millions at the expense of the public by fomenting and keeping up constant strife between organized wealth and organized labor.

These figures, which I assume to be approximately correct, show clearly that the office at Denver could not exist long if it devoted its efforts only to legitimate criminal operations, looking up testimony in criminal prosecutions and making arrests of criminals.

The loss on criminal work is about \$10,000 annually, but this loss is overcome and many times covered by work done by the agency for the mining and other corporations, the profits amounting to \$67,000 annually for one office. Think of such immense profits and the work to be done to get such profits, and paid for the single purpose of searching out the lodge business of labor organizations in Colorado and other States.

Do you think the Government should be a party to this nefarious kind of service, which capitalizes treachery and fraud in every conceivable form? If trade unions are entitled to exist at all, and if they have any good purpose to serve in helping to improve the conditions of labor and the social order generally, as I believe they do, why should they be subjected to such outrages? Have labor unions no right to protection against these hirelings of corporations, who are willing to sink the last vestige of principle and play the spy, and by feigning friendship for the miner (or the employee) and his cause obtain admission into the union, and by continued deception, cleverly practiced, become an officer of the union, the trusted agent of its business and secret work, only to betray and deliver it with alacrity to the hostile corporation, striving by "might and main," with the aid of the courts and troops, to disrupt its membership and hand it over body and soul to its natural economic enemy? Ispeak with respect to the selfish, materialistic, and laissez faire economist and of antiquated usefulness.

Pinkerton's National Detective Agency manufactures traitors and scoundrels by wholesale, and the Government, through the Post-Office establishment, is, in a measure, a particeps criminis. This I charge here on the floor of this House as being the solemn truth, and I want the American people to know it.

AN EXAMPLE OF THE SLICK OPERATIVE.

To make plain my contention I shall now offer some letters, and first call your attention to one written by A. H. Crane, a Pinkerton spy, which is as perfidious as the unregenerate heart well can make it. The language is smooth, as is usual in such cases, but the intent is thoroughly base, and I want to embalm Crane and his work for the benefit of those who approve of his kind and for those who wear soft raiment and devour the houses of widows and orphans and who live in fine houses and play the rôle of Pharisees. I also append Mr. Friedman's comment and explanation of the letter, which I consider of value, as well as his pen picture of the vice-president and general manager of the United States Reduction and Refining Company, which I hardly think is overdrawn, for Mr. MacNeill is a devout worshiper of Mammon and, therefore, has no need of a man except to sacrifice him on Mammon's altar. He would allow him a "full dinner pail" on the principle that a well-fed ox is stronger and more serviceable, a more certain yielder of big profits, the goal of all men of the MacNeill type. This and the same style of sycophantic letters which shall follow are given to this House and the public and will be printed in the Record to correct, if possible, as venal and low a business as was ever practiced in any country, and I include Russia of to-day. I had as leave follow the vocation of a procurer, who seeks out the foolish girl for sacrifice on the altar of lust. The man who will do the one will do the other, and the man or company who fosters such service by employing it must be classed in the same category.

DEAR SIR: Operative No. 5 reports:

COLORADO CITY, COLO.,
Wednesday, February 18, 1903.

At 9 a. m. Sanger came and called me out and said that he heard there was a carload of Italians going to be shipped here to-day, and asked me what I thought best for him to do, and I said I did not just know what would be best, but he could send a few men to see them when they got off the train. He then told me he had sent two men to each depot. He then left.

I went to see Moyer and Mangon, and there I met Mr. Burr, from Leadville, who has come down to take charge of the strike. We talked a few minutes. I left and went to get something to eat, and while in the restaurant two or three different union men came after me to make out applications for them.

At 10 a. m. I left the restaurant and went with Sanger to fix out the applications. Moyer told me the electricians and blacksmiths had quit, so it would make things a little more difficult for the Standard Mill to work. He said if we continued to keep on the way we were doing the Standard would have to go down. We then obligated four members, after which I left the room and went on the street and stood around with the men until about 11.30 a. m., when I went into the Alamo Club. I met Sanger and other union men, and they all seem to think that the men will win the strike.

About 12 o'clock I left the club and took a walk around the different places where the union pickets are stationed and found everything very quiet indeed, and returned to town about 12.45 p. m., when I went to dinner.

At 1.15 p. m. I saw Sanger. He said he had a bond for Charles Lewis, and wanted some one to sign it so as to get him out of jail; so we then hunted around and found J. Hill and Swartz, and they signed it by just writing their names on the back. When I gave it to the justice he said it was no good signed that way, which I knew, but said nothing to Sanger.

I then left the justice's office and had a little talk with Mr. Hawkins, then went to the D. & R. G. Depot to see the union men who were watching the trains, but found none there, so stayed around a little while, when Richerson, Garrison, Howard, and two other union men came. I talked a few minutes to them, and about 3 p. m. left them and took car for Colorado City, where I met L. N. Edwards. He said he had some good news for us, and that Mr. Fullerton, of the Telluride mill, wanted to have a talk with Moyer and the other officers of the union and try and fix matters up. Edwards said Mr. Fullerton said he did not want to discharge any union men, and would not, as he thought it would be best if all the men belonged to the union, and he did not want any of the union men to think he was connected with Mr. Hawkins or any of those companies, and would not have a thing to do with them. Edwards then left me.

I met Sanger, who told me I had better take a trip around and see how the boys were getting along, which I did, with two other men from the Building Trades Council. We went to the big pump on Sixth street, and then across the company's ground past the old mill to the road which leads to the avenue. We saw no one on the way until we got to the M. T. Railway switch which leads to the sampler. There I talked with the company's watchmen. I said to them, "You are not doing much looking around when you let men walk across the company's ground, and strikers at that." They did not say much to me, so I went across the tracks to where the union men were sitting. I talked a few minutes with them, but learned nothing from them, and left them and went to town. There I met Dowse, Sanger, and several others. They asked me how things were, and I said all right. We then all went to the Alamo Club and had the treats together.

At 6 p. m. we all left for supper, after which, at 6.45 p. m., I met Garrison, Henderson, and several union men. We talked together until about 7.15 p. m., when I went to my room and got my books, and at 7.30 p. m. I went to the meeting. There was about 150 or 200 in attendance, with all the new members. Fifteen were taken in the first time, and thirty-one the next time, so it made quite a few new members.

After we got them fixed out all right, Mangon made a little talk to the boys and told them to work as they had the past two days, and then he did not think we would have to call out the Cripple Creek miners, but if we could not stop the Standard Mill, they surely would call out the miners. Mangon said he would leave us in the morning and would visit each union at the camp and tell them how we were fixed, but he did not need to tell them anything, as it was all left to the District No. 1. He then sat down.

Burr then made a little talk and asked the president to pick out a strike committee of five men. He picked out A. H. Crane, H. L. Sanger, Tom Daniels, C. Lyons, and J. H. Hill as the committee, and asked each and every member to do as the committee told them. Three men were picked out as captains to look after the different shifts of pickets.

The next thing taken up was about Mr. Western, the superintendent of the Tulluride Mill. The men want him removed from the works and are going to present a bill against him at the trades council after the 25th, so as to have the trouble come all together, as several men consider him unfair to organized labor.

About 11.45 p. m. we left the hall. I first took my books to my room, and then took a walk around, but found everything very quiet indeed. I then came back to the restaurant and had a little lunch, then went to my room, and at 2.30 a. m. discontinued for the night.

Yours, respectfully,

Quoting from Mr. Friedman's comments:

The above report of Secret Operative A. H. Crane, more commonly known at the Pinkerton office as No. 5, like many other reports of a similar character, was sent to Mr. J. D. Hawkins, superintendent, and Mr. Charles M. MacNeill, vice-president and general manager of the United States Reduction and Refining Company, popularly believed to be a part of the smelter trust, and numbering among its valuable possessions of the great Standard Mill, the largest reduction plant in Colorado City. Four days previous to the date of No. 5's report, given above, Mill and Smelter Men's Union No. 125, of the Western Federation, declared a strike on the Standard Mill. The press reported the event as a passing occurrence, and the public scarcely paid any attention. Yet as the inauguration of this strike was to a great extent the result of No. 5's work and had such far-reaching effects, a little inquiry into the causes will be interesting as well as instructive.

Charles M. MacNeill, vice-president and general manager of the United States Reduction and Refining Company, is primarily responsible for the occurrence of the trouble at Colorado City, consequently for the great Cripple Creek strike and, to say the least, is a very peculiar and much-talked-of man. Worshiped by the rich as a demigod, execrated by labor as an archfiend. Who is right? What kind of a man is MacNeill?

Judging him by his actions, we should say that Mr. MacNeill must be a twin brother of Mr. Baer, of Pennsylvania. The attributes of the one are characteristic of the other. Mr. MacNeill is a typical American trust magnate and serves as a good example of what the American people may some day have to face, if men of this stamp are not checked in their mad career. He is naturally a strong-willed man and probably owes his success to this quality. But success turned his head and petrified his heart, so that in the course of time he has succeeded in imitating to perfection the brutality of a savage African slave driver.

FURTHER EXPOSURE, BY LETTERS, OF DETECTIVE OPERATIVES.

I want, as I have heretofore said, the country to know and understand the wicked and indefensible methods resorted to by so-called respectable industrialism in its conflicts with labor. Treachery and petty treason are resorted to as though it were honorable. This world has seen some very exquisite pieces of treachery, and I believe the following, exemplified by operative No. 43, of the Pinkerton agency, may be classed as one of the exquisite, if not the most exquisite. Union smelter men in Colorado were very suspicious of strangers, and this report of No. 43 shows to what some detectives will stoop. It is as follows:

DEAR SIR: Operative No. 43 reports:

COLORADO CITY, COLO., Thursday, April 9, 1903.

This morning I walked around town for a while and met a few of the mill men, but nothing of interest occurred. At 9.30 I helped a brother of the secretary of the union here, who has a van, move a lady to Colorado Springs. He questioned me all the while regarding myself and my business, but of course learned nothing.

After dinner I met Gilbert, Nichols, Burr, Elder, and Aberlene at the Hoffman bar, where we had some drinks. Some of the men got the drinks on credit from Hames, while others borrowed some cash of him.

There was considerable talk about the clubhouse to be built by the U. S. B. and R. Company, some claiming it would be a good thing, and others claiming it was done simply to get the good feeling of the people here.

I was with these men quite a while when Nichols and Elder left us and went to the pool hall, and I went to my room until supper time.

After supper I met a young man, tall, dark complexioned, who wears a stiff hat, and who told me he was one of the first three men discharged from the Standard Mill. I have not yet learned his name, but they call him John. We went to the pool hall and there met Gilbert, Elder, De Long, King, and Epperson. Epperson and De Long wanted me to play pool, and they took off their coats. I saw it was their scheme to get me to take off my coat, and I handed it to the young man, John, who went to the other end of the hall with the garment and went through the pockets. I played two games of pool, giving him plenty of time, knowing he would find nothing, and then the crowd broke up.

I took the car to Colorado Springs and received instructions to call on Mr. Hawkins. Upon my return to Colorado City I met John and Epperson, and talked a while with them, and when Epperson left John told me his people had gone away and he didn't have any place to sleep, so I invited him to come to my room.

At my room I showed him my books and the lessons I am taking through a correspondence school, and told him I had to get a lesson every night, and I made a pretense of studying it, and he looked through my trunk while I was writing.

After we got to bed he got confidential, and told me they had had lots of trouble with detectives; had had one named Cane, or something of that sort, and four others whom he did not know, and that the union kept two men themselves to watch the newcomers. We talked until 2.30, when we went to sleep. I know that I am watched, and must be cautious for some time to come.

FRIDAY, April 10, 1903.

This morning I took John to breakfast, and he then asked me to lend him \$1.50. I pulled out about \$3, which I showed him, telling him it was all I had, but he could have \$1.50 if he would pay it back Saturday, as it was his pay day, and he promised to do so. I also told him I would have to get work next week. Then after leaving him I laid down and took a nap, as I wasn't feeling very well.

After dinner I was out for a while and met a few of the men, but nothing of interest occurred, and I discontinued early.

Yours, respectfully,

MEN ALWAYS UNDER SURVEILLANCE.

But the United States Reduction Company had another plant at Florence, Colo., and Manager MacNeill did not propose that such trouble as he had had at Colorado should get ahead of him in Florence. Here J. H. Cummins, No. 23, and afterwards Operative T. J. Conibear, No. 18, did some very excellent work for the mine owners. Here is a report from No. 23, which shows the surveillance under which the union men were constantly kept:

DEAR SIR: Operative No. 23 reports:

FLORENCE, COLO., Wednesday, February 25, 1903.

I went to the mill at 7.35 this morning and worked in the barrel room from 8 o'clock until 4 p. m., getting the lime ready for charging the barrels. During the afternoon Mr. MacDonald visited the barrel room, and while here told me to call at his residence this evening. While Mr. MacDonald was in the barrel room I was busy helping charge one of the barrels and took out a sample of the ore.

After Mr. MacDonald had left head barrel man Duckett told me that whenever Mr. MacDonald or any of the foremen were present the sample of ore must be taken out a little at a time from each hopper. The way the sample is usually taken is all at one time and from only one hopper. I then made the remark that when the foremen were present everything had to be done a certain way, and it didn't make much difference when the foremen were not present. Duckett said we had to be a little more particular when the manager or foremen were around. All of the men in the chlorinating department seemed to be doing a good shift's work.

I left the mill at 4.1 p. m. and went to town with John Edwards, Jim Edwards, and Horace Mann, and John Edwards told me he would have to think a long while before he went on a strike at the mill, as he was in the strike two years ago at the National Mill, and that all those who made the trouble and did the agitating were single men, who, when they lost their positions, could leave town and go elsewhere, leaving the married men and those who had homes to get along as best they could. He further said he believed there were a good many others who looked at the situation in the same way as he did, and that it would take some strong talk and urging a majority of the men at the Union plant to go out on a strike.

At 7.15 to-night I called on Mr. MacDonald at his residence, and he said he was anxious to know if anything was being done by the union men here toward giving assistance to the striking mill men, as he expected something would be done either to-day or to-morrow toward that end. I told him nothing had been done as yet, but I rather expected some one would soon be here to try and organize the men at the Union plant. He told me that in case a union was organized I should become a member, but not to take a very active part, as he expected to discharge the union men as soon as he got their names, and he did not want to draw the men's attention to me being a union man and still being kept at the mill. Mr. MacDonald then gave me his telephone number and post-office box number, and told me that if anything important transpired I should let him know by telephone or mail to his post-office box. I assured him I would let him know immediately if anything was done to get assistance of the men who were working at the mill.

After leaving Mr. MacDonald's residence I went to the National Saloon, where I met Barney Bramhall. I asked him if he had heard anything in reference to the strike, and he said he had not.

I visited the Palace, Opera House, Carroll's, and the Miners' Exchange saloons. At the latter place I met mill men Jones, Barker, and Fry, and I talked with them and asked them if they had heard anything new concerning the mill men's strike at Colorado City, and they replied in the negative. I stayed at the Opera House Saloon until 10.30 p. m., but learned nothing of importance. I then left the saloon and discontinued.

Yours, respectfully,

NOTHING "BLOOD CURDLING" ABOUT THIS.

Over in the Cripple Creek district neither side to the controversy was overlooking anything. The mine owners employed several operatives of the Pinkerton Agency, and the Woods Investment Company was paying \$8 a day for the services of a certain personage, Philander B. Bailey, known as No. 9. He was working as a real miner at the Wild Horse Mine, and this is what he has to say about a union miners' meeting:

DEAR SIR: Operative No. 9 reports:

VICTOR, COLO., Saturday, February 21, 1903.

I reported at the mine for work this morning, and at 7 a. m. we went below. I worked in the underhand stope on the eighth level. Francis Herman, James Wasley, and Tom Gaynor worked in this stope to-day. Herman spoke (as he always does) in harsh terms about the mine owners and superintendents. He also said there are a lot of s. o. b.'s in this camp who are ever ready to do the mine owners' bidding. To this Wasley said: "Why in hell don't the union drive these scabs out of the camp? If they (the so-called scabs) were in Butte City, Mont., they would have to hit the grit, and that quickly, too." Wasley came from Butte to this district.

We worked until 11 a. m., when we went to surface for lunch. Nothing of interest occurred during lunch time, and at 11.30 a. m., we went below to work again. We worked until 3.30 p. m., when we went to surface and home, arriving in Victor at 4 p. m.

After supper I went uptown and spent the evening about the resorts of the men until 7.30 p. m. During the evening I met Arthur Evans, Jack and Fred Minister, Chauncey Williams, and Harry McGuigan. Evans is working at the Portland, the Minister boys at the Deadwood, McGuigan at the Independence, and Williams at the Wild Horse. None of these men think the strike at Colorado City will extend to this district.

At 7.30 p. m. I went to the union meeting. The ballot was open to-day from 1 until 8 p. m. (at union hall) for the purpose of voting on the compulsory insurance now existing at the mines of the district, to determine whether the union submit to being compelled to pay the present rate of insurance, 3 per cent, or not. I heard several people say to-night that the Woods people are the only mine owners of the district who compel their employees to pay this insurance, and that at other mines it is optional with the men employed. This balloting will be continued next Saturday, February 28, 1903.

At 7.30 p. m. lodge opened in due form, with an attendance of about seventy-five members. There were three initiations. After nominating officers for the ensuing term the lodge proceeded to the regular dispatch of business.

There has been a standing committee for some time for the purpose of waiting on some of the mine superintendents in regard to working their men overtime. During the past week the committee waited upon the management (so they said) of the Gold Coin, Independence, and Portland mines. The committee reported that the management of these properties promised them that they would not have their men work overtime except when really necessary. The committee's report was received and the committee discharged.

After the regular business was disposed of Mr. Mangon and John C. Sullivan, president of the State Federation of Labor of Colorado, addressed the meeting. Mangon was in Colorado City in charge of the striking mill men, I believe, from Sunday last until Wednesday last, at which time he was relieved by a Leadville man named, I believe, Burr or Berg. I could not exactly understand the name, but think it is Burr. Mangon stated that since the men went on strike at the mill there has been something like 150 men who have joined the mill men's union at Colorado City. He said that he (Mangon) and Charles Moyer, president of the Western Federation, held a consultation with Mr. Fullerton, of the Telluride Mill, and that Fullerton made more concessions to them than they thought he would make. Fullerton told them (so Mangon said) that he will not discriminate against any man, let him be union or nonunion, and that he (Fullerton) will not pay his men less than \$2 per day. Mangon said that MacNeill is a s. o. b., and that he (MacNeill) may wish before this trouble is settled that he had not started anything.

Mangon said that he talked with an engineer who switches the ore to the mill where the men are on strike, and the engineer told him that the railroad men are ready to quit pulling ore to this mill at any time that their union (the railroad men's union) says "stop."

Mangon said that the Federation will not call the miners of this district out except as a last resort, but if the trouble can not be adjusted in any other way, that the men of some of the mines here will be called upon to stop work. He named as the principal contributors of ore to the United States Mill, the Strong, Independence, and Hull City mines. He also said the coal miners are ready to make a stand for the mill men whenever they are called upon to do so.

Sullivan made quite a lengthy speech, but confined his talk mostly to bills which are now before the legislative body, the eight-hour bill being the principal one. He told the union that the only hope he has for the men at Colorado City to win out is for the smelter trusts and the Mine Owners' Association to hitch on the treatment and handling of ore. He (Sullivan) further said that if the miners of this district should be called out, that they will stand as a unit in behalf of the strikers at Colorado City. He said, too, that the present legislature will pass no law which will better the condition of the working people, and that all trusts and combines are against organized labor, and especially the Western Federation of Miners. At 11.20 p. m. lodge adjourned to meet next Saturday evening at 7.30 p. m.

Charley Stuart and I took a drink at the Monarch, and I discontinued.

Yours, respectfully,

NO INCRIMINATING EVIDENCE.

This report shows nothing to have occurred which required the presence of a detective in order that he might protect the world from some devilish plot. And this is what Morris Friedman, the former confidential secretary to James McParland, has to say about this feature:

As a matter of fact, if the files of the Pinkerton agency were examined to-day, not a report would be found showing a single item of actual incriminating evidence against the miners, unless it is a crime of itself for workmen to come together and transact ordinary lodge business.

Let me quote further from Mr. Friedman's book, and let me add that what he has written and what I shall present to this House has never been denied, although it has been circulated from one end of this country to the other and was offered in evidence in the Haywood trial at Boise last summer, and has ever since gone unrefuted. Mr. Friedman says:

"After the State troops had been in Colorado City for about two weeks the governor, fearing they might die of ennui there, recalled them to Denver and appointed an advisory board to try and settle the trouble by arbitration.

"The board succeeded, after considerable work, in patching up a truce between the Federation and Manager MacNeill, and Mr. MacNeill was given until May 18, 1903, to carry out the articles of agreement. The terms of settlement were recognition of the union, an eight-hour day, a small increase in wages, and reinstatement of all old employees.

"When it became known that an agreement had been reached there was much rejoicing all over the State, and everybody prepared for an era of prosperity and happiness.

"But there were five elements which were a bar to the continuance of peace: Manager MacNeill, who had no idea of keeping faith with his men; the agency, which preached war to the knife against the Western Federation of Miners; Governor Peabody, who at best was a toy in the hands of corporation managers; the Cripple Creek Mine Owners' Association, which was leagued to crush the Federation of Miners, and Sherman Bell, adjutant-general of the State of Colorado.

"Manager MacNeill openly violated his agreement with the Western Federation of Miners from the very start. He compelled his men to work ten and twelve hours a day, refused to increase their wages, and only reinstated such of his former employees as were willing to quit the union.

"Mr. Moyer sent a committee to Mr. MacNeill to straighten matters out, but it met with signal failure, as Mr. MacNeill was absolutely immovable.

"We will for the present follow up the progress of the strike

and the work of the agency in Denver. The work of No. 42, who is the central figure of this chapter, is the more interesting because, to a great extent, he was working under the personal direction of Manager James McParland.

"Shortly after the walk-out at the Globe and Grant smelters, General Manager Guiterman applied to the agency for a competent operative to fraternize with his striking employees, keep him informed and try to weaken the strike. The agency said it was a hard matter to place an operative in a locality where a strike was in progress. Yet they would endeavor to comply with his request. The agency chose for this work A. W. Gratias, known as No. 42.

"When detailing him on this operation, the agency did not think he would ever make good, and the only reason they sent No. 42 was that he had just got through with an operation for the Union Pacific Railroad, and no other operative was at liberty at the time.

"No. 42 was an exceptionally bright operative, and quickly adapted himself to the situation. And so shrewdly did he conduct himself, that in a few weeks he was invited to join the union, and a short time after was an influential member.

"The agency was now in a position to render Mr. Guiterman good service, and Mr. McParland himself drew up the instructions for No. 42. To begin with, the operative was instructed to create trouble between the leaders of the union. This he accomplished, and soon the union was divided into a number of hostile camps, the operative being strictly neutral, which so strengthened his position with the men that he was in a short time elected recording secretary.

"As secretary the operative knew in advance everything the union intended to do, and as quickly as he learned something he communicated it to the agency, and the latter to Mr. Guiterman. The operative was next instructed to agitate the question of strike benefits among the men, so that they would demand financial aid from the Western Federation of Miners, and he was also told to intrigue against some of the leaders, so that the union would expel them. The chiefs being out of the way, Mr. McParland hoped that the rank and file would call the strike off.

CAUSES DISSATISFACTION BY TRICKERY.

"The following report of No. 42 will show how he endeavored to carry out these instructions:"

DEAR SIR: Operative No. 42 reports:

DENVER, COLO., Tuesday, September 29, 1903.

I reported at the office and received instructions to speak to the members of the smeltermen's union in a careful way, and try to make them believe they are entitled to some money or some benefits from the Western Federation of Miners, to cause them to become dissatisfied, also to do what I can to get D. B. Smith out of the union.

I went to Globeville and visited nearly all of the saloons there. I found very little doing. I met Alden at Vogt's saloon. Alden told me he met a man yesterday who wanted to go to work in the Globe smelter. This party did not know Alden was a union man. Alden told him he was thinking of going to work himself. Alden said: "He told me to meet him this morning at 5.30 and we would go in together. The son of a gun did not show up this morning. If he had, I'd have fixed him so that he would be in the hospital now. I wanted to get him out alone, having had no chance at him yesterday."

At Predovich's place this evening I mixed with several of the boys. Frank McNamara was there. Policeman Malone spent an hour there, drinking and talking with the boys. Predovich called Malone out. They went out, talked for fifteen minutes, then came back. I do not know what they talked about.

I walked with Alden this evening. He told me that the Allen and Stewart combination, that are trying to get Smith out are also trying to get him, Alden, out. Alden said: "I have done more for this union than any other man in it, and now this is what I get. I led that attack on the smelter on July 3d. I made the watchman open the gate, and told him if he dared to blow that whistle I'd kill him. You bet he did not blow it. Mike Golden was with me. We went in the engine room, and it was Golden that pulled the whistle. Mike Golden is in California. They are looking for him, but he got away from them."

Alden is dissatisfied with the way things are run. He expected to get \$2.50 a day, and as he is only getting \$1.50 he is angry. He said: "If they try to run me out of this union, I'll make them feel sorry, if I have to kill a couple of them."

I discontinued at 9 p. m.

Yours, respectfully,

"In the course of time the operative became so popular with the men that toward the end of the fall, 1903, he was appointed chairman of the relief committee.

"Mr. McParland now instructed the operative to make the bills for relief as large as possible, so as to drain the treasury of the Federation. The operative followed instructions so faithfully that the relief bills soon amounted to a little over a thousand dollars a week. He not only supplied the men with necessities, but even with luxuries and cash to spend.

"The operative's extreme liberality endeared him to the men, who rewarded him by electing him president of the union. We now see the unique spectacle of a Pinkerton spy, under the direct orders of Manager McParland, as president of a Western Federation of Miners' local union, and directing a bitter strike against the smelter trust.

"On his elevation to the presidency the operative did not relinquish his position on the relief committee, nor would the men have permitted him to do so, as they were perfectly satisfied with the way the operative squandered the money of the Federation.

"In this way the strike dragged on for months, with no prospect of a settlement.

ALMOST CAUGHT, BUT QUIETS SUSPICION.

"Along in May, 1904, some careless remarks of Mr. Dennis Sheedy, one of the directors of the smelting company, made the men believe that there was a spy in their midst, but the operative managed to lull these suspicions to sleep, and an investigation which was pending was dropped. The following report treats of this matter:

DEAR SIR: Operative No. 42 reports:

DENVER, COLO., Saturday, May 21, 1904.

I went to Globeville this morning and spent the day at various saloons, mingling with the union men.

I overheard three men talking of the murder of private detective Gregory. They expressed great satisfaction that he was killed, and said his slayers were good union men, and will get more before they finish. One of these men was Charles Nyburg. I did not know the names of the other two.

I met T. R. Stuart this afternoon. He is one of the prominent members of the union. He worked in the smelter as a carpenter. Of late he has not been so active in union matters. He told me he came to Globeville to see how the union men are getting along. Stuart is a great Democrat. He said, "Well, we won the election; now, do you think the company is going to do anything?" I said, "No, I do not. I feel sure they are not going to do anything this summer. It is doubtful in my mind, whether they will ever do anything, but if they do, it will be many months hence." Stuart said, "Well, I guess we will have to wait until next fall, and then we are going to win, because the State is going Democratic by 20,000." I asked Stuart how the Globe smelter is running, and he said he did not know, but from what he heard they are having a hard time to get and keep experienced men.

I saw Amos Shreve this evening, and talked with him about the leak in the union. Shreve said he did not positively know whether there was a leak or not. He said, "The men that brought this thing up have only circumstantial evidence that some one is giving these things away. They have not said a thing that proved that we have a traitor in the union. Mr. Sheedy could very easily go to the First National Bank and there find out what our bills every week are." Shreve said he is beginning to believe it is all a mistake, and that there is no one in the union who is betraying them. We talked for some time and I agreed with Shreve that it probably is all a mistake.

I called on B. P. Smith this evening at his residence. He had company, and I only stayed a little while. Our conversation was general, and in the presence of others.

I discontinued at 10 p. m.

Yours, respectfully,

"As the annual convention of the Western Federation was about to take place, the operative was instructed to become a delegate, if possible; and he was so well liked and trusted by the men that he was almost unanimously elected to represent Mill Men's Union No. 93.

REPORTED DAILY ABOUT CONVENTION.

"The convention took place in Denver, and the operative, therefore, communicated the proceedings daily to the agency, who sent them by special delivery to Manager Guterman.

"Strange though it may seem, the convention did not authorize a single murder, nor did it order the destruction of any property. The following two reports are a fair sample of the proceedings and deliberations of the convention as seen by a wolf in sheep's clothing:

DEAR SIR: Operative No. 42 reports:

DENVER, COLO., Wednesday, June 1, 1904.

I went to the Western Federation of Miners' convention this morning. Discussion was resumed of increasing the per capita tax to make the \$300,000 fund mentioned in my report a few days ago. They debated on this all forenoon, and on opening this afternoon the resolution was voted down. A majority of the delegates voted for the resolution, but it requires a two-thirds vote to change the constitution of the Federation, and as there was not two-thirds who voted for it, it was lost. There was nothing important brought out in the discussion on this resolution. Those in favor claimed it would meet with more favor among the members to have the extra per capita tax than to have so many assessments, as they now have. Those against claimed the members would complain against paying the increase, and a good many would probably leave the Federation when they learned the tax is raised.

This afternoon a resolution was introduced that a committee of three be sent to Cripple Creek to investigate the strike there and report to the convention how the situation stands at present, how the strike was conducted, and how it was declared in the first place, and whether it was in conformity with the constitution of the Western Federation of Miners or not. It was then moved that before this resolution be entertained that the convention hear from the different delegates from Cripple Creek. Sherman Parker was the first man called on, but as it was 5 p. m. the convention adjourned, and Parker will speak in the morning.

I went to Globeville and prepared the relief books for to-night's meeting, then went to the regular meeting of the Smelter Men's Union. There were 22 visiting delegates from the Western Federation of Miners' convention present and 37 of the local members. The relief bills paid amounted to \$347.60.

The following delegates spoke: W. F. Davis, A. G. Paul, W. A. Morgan, and Sherman Parker, of Cripple Creek; I. H. Davis and Henry Gibson, from South Dakota; Garrison and Edwards, from Colorado City; Charles E. Maloney, C. P. Maloney, F. L. Rebar, W. T.

Stoddard, and Malcolm Gillis, from Butte, Mont.; J. B. Fulber, of California; T. McGraff, of Wyoming; Stewart Forbes, of Telluride, and Lane, of Nevada.

The talk of these delegates took some time, though they all spoke on about the same lines—that is, they all flattered the Denver Smelter Men's Union on the record they have made in their strike. Some of the outside delegates said they were told that a less per cent of the men of the Denver Smelter Men's Union have gone back to work than has ever been heard of before in any strike that has been out as long as the smelter men have. Each delegate, before he finished his address, promised the smelter men that the fight of the smelter men in this strike was also their fight and the union he represents, and that they would stand by the Colorado mine, mill, and smelter men in this eight-hour struggle to the end. Some told the smelter men that whatever they do, don't give up the fight, and in the end they will win.

The delegates from Butte, Mont., who are representing the unions that have given the most money toward the support of the Colorado strikers, expressed very forcibly that they believed the strike here was just, that they were heart and soul with the strikers, and will continue to give them financial aid until the strike is won.

Malcolm Gillis, of Butte, Mont., made a good, strong speech, upheld President Moyer for the stand he has taken in the Colorado troubles, condemned Governor Peabody, although he, Gillis, is a Republican, and said, "Butte is with you to a man, and I want to say you are going to win. All I ask you to do is, stand together in the future as you have stood in the past."

Most of the outside delegates said they knew nothing of the strikes in Colorado, comparatively, until they arrived in Denver, but since attending the convention they have learned considerable.

The visiting delegates left at 11.30 p. m., and our union adjourned immediately after.

I discontinued at 12 midnight.

Yours, respectfully,

DENVER, COLO., Thursday, June 2, 1904.

I went to the meeting of the Western Federation of Miners' convention to-day. The Cripple Creek strike was discussed this forenoon. Sherman Parker, of Cripple Creek, was the principal speaker of that district. He began by relating the condition in Colorado City in regard to the mill men there in the early part of 1903. He stated that the cause of the Colorado City strike was discrimination against the union men; that the Colorado City strike was the beginning of the present Cripple Creek strike. He said the Cripple Creek miners are not only fighting for eight hours for the mill men, but are fighting to maintain the present scale of wages. He explained that it was the intention of the mine owners to reduce the wages, and in order to do so they realized that they would first have to drive the Western Federation of Miners out of the district. In explaining the present strike conditions in the district, Parker said there were between 3,000 and 3,500 men that went on strike; that at present there are from 900 to 1,000 men and their families getting relief from the Western Federation of Miners. Eight hundred union men are working on fair properties, and 300 of the union men that went on strike have gone back to work and are scabbing now.

Parker explained the conditions the miners are in at the present time. Not being familiar with mining at all, and as I could not write down anything while in the convention hall, it is impossible for me to remember enough to report on this fully. However, Parker and the other Cripple Creek delegates that followed him explained to the convention that the mine owners are in a very bad way, and are almost whipped to a certainty. Parker and his colleagues all said in concluding their remarks that they are going to win out in Cripple Creek whether the Western Federation of Miners stands by them or not.

The delegates, especially those from Butte, were much interested and repeatedly interrupted the speakers by asking them questions when they did not thoroughly understand.

A committee of three were appointed to go to Cripple Creek and investigate into the situation there and report back to the convention. R. E. Allen, H. C. Seaman, and Malcolm Gillis composed the committee. They will leave on the 3.45 train this afternoon. Secretary Haywood asked that the executive board be given permission to select a member of the Cripple Creek delegation favorable to them to accompany this committee to Cripple Creek. The permission was given, and I learned later that Sherman Parker was selected.

A resolution was then introduced that a committee be sent to Telluride for the same purpose. It was then decided that they hear first from the Telluride delegates. They now adjourned for noon, and resumed at 2 p. m.

The principal speaker from Telluride was Stewart Forbes. He went into the details that led up to the Telluride strike. He explained how the union men were treated by the authorities. He also explained that it was the mill men there that caused the strike. He said that the mines there were not working successfully with the scabs they have at present. He stated that 75 per cent of the mill men have gone back and are scabbing. The Telluride delegates expressed themselves as the Cripple Creek delegates did, that they will win their strike, and if the Western Federation of Miners did not indorse it, they would fight it alone, and win it alone.

In the questioning following Forbes' remarks it was brought out that a Mr. Cameron, an agent of the Smuggler Union Mining Company, went to Michigan and hired men to work in that company's mines; that Mr. Cameron told the men he hired that his company had nothing against the unions; that the men could join the union if they wished, and that the only trouble they had there was with the Italians, and they will never hire another Italian. He told the men they would not be scabbing if they went to work for his company. A delegate from Michigan stated he met Mr. Cameron there; that Cameron took 27 men with him from Michigan to Colorado. Among the 27 men was a man named John Junkgrist. Another delegate stated he met Junkgrist in Denver yesterday. Junkgrist just arrived from Telluride and is going to Michigan after more men. The delegates of Michigan were instructed to notify their unions to look out for this man.

Another man said he saw a man that is hiring men for Telluride. This party claimed the only trouble in Telluride is with the Italians there. The delegate then said: "This goes on to show the mine owners must be in a bad way in Telluride."

A delegate (I don't know his name nor where he is from) asked Forbes if he knew a man in Telluride by the name of Pat Harrigan. Forbes said he did. The delegate then asked if Harrigan was a Pinkerton detective. Forbes said he did not know. The delegate then said he knew Harrigan before he went to Telluride. He was then suspected of being a Pinkerton man, and since then he, the delegate, has found out that Harrigan is a Pinkerton detective. Chairman Williams then informed the speaker that he was out of order, as this did not come up

under the discussion of the Telluride strike situation. It was then decided that the Telluride matter be laid over until the committee from Cripple Creek return and make their report.

The committee on affiliation with the American Federation of Labor then reported. As it was now adjournment time, it was moved that the discussion on affiliation with the American Federation of Labor be taken up the first thing to-morrow. The convention then adjourned, at 5.30 p. m.

Joe Mehelict, of Globeville, told me to-day that quite a number of union men in Globeville have left to look for work. I asked how many, and he said he did not know; probably fifty or more.

I met Assistant Superintendent Cary this evening at 9 o'clock, and talked over my work with him, and received further instructions.

I discontinued at 10 p. m.

Yours, respectfully,

TRIES DISSATISFACTION BY STARVATION PLAN.

"Shortly prior to the convention, Manager James McParland changed his instructions to the operative so far as the relief work was concerned.

"The operative had reported that Secretary-Treasurer William D. Haywood of the federation was objecting to the enormous weekly relief bills, and insisting that they be reduced. Manager McParland therefore instructed that the operative cut the relief down to an extent that would almost starve the strikers, and while doing this, to throw the blame on Secretary Haywood.

"Mr. McParland no doubt felt this to be a master stroke of cunning.

"Below we quote a report of No. 42 embodying these instructions from the agency, and a statement from the operative that he would carry them out."

DEAR SIR: Operative No. 42 reports:

DENVER, COLO., Thursday, June 9, 1904.

I reported in the office in the morning, then went to Globeville. I talked with a number of the union men and found them very quiet on the strike situation. The trouble in the Cripple Creek district is causing considerable comment. The militia and Citizens' Alliance were scared fiercely. Nick Kekick said the miners ought to all get together, arm themselves, and go to the Cripple Creek district and run the militia out.

I went to Joe Mehelict and told him the instructions received from Haywood Monday evening. I told him that last night at the meeting. I told Malich and Smith, and Smith thought we should wait until next Wednesday before reestablishing the pickets, also that in the meantime Smith wanted to see Haywood, as he thought it unwise to do anything in Globeville on account of the trouble in Cripple Creek.

Mehelict listened attentively, then said: "Smith is afraid of getting arrested. I am not. I know what Smith wants to see Haywood for. He wants to persuade Haywood not to send the pickets out. Smith is afraid of sending them out."

Mehelict was in favor of sending the pickets out and was very angry at B. P. Smith, thinking that Smith did not want to send the pickets out. Mehelict later said that if it had not been for B. P. Smith, this strike would have been settled long ago. He said after the strike had been declared, Smith told the men the strike would last some time, and told them not to wait around here, but get out and find work elsewhere. Mehelict said the result was all the good men left, and they had no one to do the picket work.

I met Steve Stucka this evening. He asked me if I thought the strike would be settled soon. I told him I heard nothing of a settlement or anything that would indicate a settlement; that the strike would last a long time yet, also that I believed the union will have to give up by next fall, if we did not win by that time.

Now, that the convention is over, I will again take personal charge of the relief work and will carry out the instructions I received from Mr. Cary about a week ago in regard to cutting down the relief as much as possible, so as to cause dissatisfaction, and get the men against the union.

I will put the blame for not giving the men more relief, as much as I can, on W. D. Haywood, by saying I am carrying out his instructions.

I discontinued at 9 p. m.

Yours respectfully,

"But Mr. McParland was mistaken. The men chose starvation and idleness rather than starvation wages for twelve hours' work at the fiery furnaces of the smelters.

"Month after month went by, and yet the men stayed out, until, wearied with the hopeless struggle, the union, after a two-year fight, called the strike off and permitted its members to resume work. This defeat of the union was due, not so much to the work of No. 42 as to the occurrences in the Cripple Creek district during the closing months of 1903 and the summer of 1904."

DISASTER TO THE COAL MINERS.

John Mitchell, the retiring president of the United Mine Workers of America, found out how two Pinkerton operatives, by posing as bona fide coal miners and using the United States mails as a secret means of communicating with the mine owners and the detective headquarters, could thwart every move of the United Mine Workers to organize the Southern Colorado coal mining district. President Mitchell lost the fight, and I would like to tell the story of how it was done. The Colorado Fuel and Iron Company, operating chiefly in Fremont and Las Animas counties in southern Colorado, had a system that discounted any one of the United States mints for turning out money. Once in a while a miner of the Colorado Fuel and Iron Company got a wage as high as \$2 a day. For this wage he

received a piece of scrip that entitled him to \$2 worth of stuff at one of the stores of the Colorado Fuel and Iron Company. This system made it impossible for a miner to accumulate any money. The miners were unorganized, and so were helpless. The company realized why they were helpless and determined that they should remain so. The company first had deputy sheriffs appointed, whose duty it was to watch all newcomers and prevent any organization talk or agitation among the men. This method, however, was not calculated to keep out the secret propagandist, so the company asked the Denver Pinkerton agency for operatives who could do the business while working as practical coal miners. On this job were detailed J. Frank Strong, No. 28, whose vineyard was to be Fremont County. In Las Animas County Robert M. Smith, No. 38, undertook to keep the miners from organizing, and peculiarly, these two operatives were not known to each other. Strong was detailed to take care of and watch John L. Gehr, a member of the national executive board of the United Mine Workers of America. Smith's task caused him to establish intimate relations with William Howells, president, and John Simpson, secretary, of District No. 15, comprising the Colorado division of the United Mine Workers. These two operatives, Strong and Smith, by means of these methods, found out every move of the United Mine Workers' officials and reported promptly to the company and to the headquarters in Denver. Once when Gehr was going to Trinidad to direct an organizing campaign, Operative Smith learned of it and met Gehr, whom he knew well. Operative Strong also knew of the contemplated mission and was on hand in Trinidad, too. There he had the pleasure of meeting his copartner in detective work, Gehr introducing the one to the other, ignorant of the fact that he was in the presence of his two worst enemies. This letter will furnish a description of the meeting of these two men. The report is by Smith, and here it is:

DEAR SIR: Operative No. 38 reports:

TRINIDAD, COLO., Wednesday, February 25, 1903.

After having breakfast, Curtis and I started out to hunt John Gehr at the Trinidad Hotel, where he stays. We learned that he had not gotten up yet this morning. We then sat around the barroom a while, when, as he had not shown up yet, we went up to his room and found him awake but still in bed. He, however, invited us in and was both surprised and glad to see us. Then, after exchanging greetings, he got up and dressed, and invited us to accompany him to another room where, he said, he wanted to introduce us to a friend. He introduced us to a Mr. J. Frank Strong, who comes from Fremont County, and from Gehr's home local, and was a candidate for district secretary against Simpson last fall. Gehr introduced Strong as his best friend. We talked until Strong was dressed, when we went down into the barroom, where we had drinks, after which Gehr and Strong went to breakfast. Curtis and I went up to the county jail to see Jim Ritchie, promising to meet Gehr and Strong again on our return from the jail. After visiting Ritchie, we returned down town, and at the Horse Shoe Club we met Gehr, Strong, Frank Hefferle, and several other men from Majestic. We learned that they were to attend a trial. It appears, that a fellow who is cooking at the boarding house at Majestic got a valentine recently that did not suit him, and he blamed Hefferle for sending it, and told Hefferle that if he did not get out of camp immediately he would kill him. Hefferle had him arrested and the trial was to take place to-day, and they had sought Gehr's counsel. He was trying to settle it out of court, which, I believe, he finally did with the assistance of Curtis. At the first opportunity I began to sound Gehr with regard to these two organizers mentioned in a letter to me; but if they are here he would not let anything out to indicate that he knew anything about it. I did not, however, ask him outright if they were here, but if they are here he could gain nothing by not telling me so, so I will surely find them out. Generally, Gehr is as open as a book on such matters with me, which leads me to believe that if these organizers have been ordered here they have not yet arrived, or at least have not made their presence known to Gehr. However, he did tell me that he had been informed that James Kennedy had got a commission, and was going to assume his duties on the 1st of March. I can now see that there is going to be a clash of authority when Howells returns here, as he and Gehr have exactly opposite views on the system of organization. Gehr is bitterly opposed to the group system, and Howells thinks it is the only way to organize District No. 15. Gehr said that when he came down here he had not intended to remain here, but had simply intended to see how things were going, and then return North and go into Wyoming, but he had found the Trinidad local in such a dilapidated condition that he had decided to remain here and try to put it on its feet again. He then went on to criticize old Bill Howells for letting the local go to pieces after he (Gehr) had laid the foundation for the best local in the district. I then asked him if the national officers had promised anything for District No. 15 while he was back there in attendance at the convention. He said they had not promised him very much, but he felt that whenever we could convince John Mitchell that we had restored harmony in District No. 15, and were all working together, we could safely expect something from the national. We then all went to dinner and I saw no more of Gehr until after supper, and then the talk was almost entirely on Jim Ritchie's case, and the one between Hefferle and the other fellow. At 10.30 p. m. I left Gehr and went to my room and retired for the night.

Yours, respectfully,

In some unaccountable way the miners succeeded in organizing a half-hearted union known as District No. 15. This district held a convention in Pueblo in September, 1903. Robert M. Smith, operative No. 38, sat in that convention as a delegate from the southern local. Every day he made a report of the proceedings to the mine owners and to the Denver agency.

Here are the reports, and they show that the coal miners realized that some greater activity must be indulged in, else their organization could not much longer exist:

DEAR SIR: Operative No. 38 reports:

PUEBLO, COLO.,
Thursday, September 24, 1903.

The first thing that took place this morning was a lengthy discussion as to whether the press reporters should be allowed in the convention. Howells contended that the more publicity we gave our deliberations the better, as it was the public mind we wanted to reach, and it was finally decided to let the reporters remain as long as they reported truthfully the actions of the convention, but that on the first false report going out the reporter giving it and the paper he was working for would be excluded from the convention. The president's report was then read, and dwelt principally upon the efforts that had been put forth within the last year toward the organization of District No. 15, and the almost utter failure of the efforts. It also dwelt at some length on the efforts of himself and others to get a meeting with the operators of District No. 15, to adjust an equitable wage scale, and its failure also, and he offered some recommendations as to his views with relation to precipitating a strike in District No. 15, which all present seemed to fully concur in. The sentiments of all delegates present, except John Gehr and Jim Ritchie, are enthusiastically in favor of a strike, and they are anxious to see it declared as soon as we get a substantial promise from the national that we will be supported. Jim Ritchie offered a resolution to the convention commending the striking miners at Cripple Creek and roundly condemning the governor and Sherman Bell. The resolution was referred to the resolutions committee. There was then a committee chosen consisting of Smith of Erie, Colo.; P. P. Mort, of Colorado Springs; J. L. Campbell, of Fremont County; James Kennedy, national organizer, and William Price, of Palsades, to draw up a wage scale to present to the operators for adoption, and if they refused to consider it, it would be placed before the national executive board for their approval; and if they approved it, a strike would be called immediately after the national executive board meeting, October 5. There was a telegram from an operator at Port Smith, Ark., to the effect that 500 union coal miners could get work at once in that vicinity. The dispatch was heartily applauded. The convention then adjourned at 5.30 p. m. until 9 a. m. to-morrow, and after supper myself, Jim Kennedy, William Price, State Labor Commissioner Montgomery, Mr. Hamilton, organizer for the American Federation of Labor, and several other delegates started out to take in the town. Montgomery told me he was here as a personal representative of Governor Peabody, and he could say that we miners had the sympathy of the governor, and that he had his (Montgomery's) full sympathy, and he would use his full influence to keep the governor on our side, and he considered his influence with the governor pretty strong. Hamilton substantiated his statements, and said he believed the coal miners were fully justified in their demands, and the governor thought so too; but, of course, the delegates are a little skeptical in accepting such statements in view of the prevailing conditions at Cripple Creek, and also the fact that Montgomery was somewhat intoxicated when he made the statements. He said he was going to address the convention while here, defining his position, also that of the governor, toward the coal miners of Colorado. We were out until after midnight when we retired for the night.

FRIDAY, September 25, 1903.

This morning the scale committee offered the following scale for consideration and ratification of the convention:

Demand No. 1, an eight-hour day; No. 2, semimonthly pay day; No. 3, abolition of the scrip system; No. 4, better ventilation in mines; No. 5, 20 per cent advance on all contract mining; No. 6, that all company or day men receive the same pay for eight hours as is paid now for ten hours. This caused a lengthy discussion, F. P. Mott, delegate from the Springs, taking the stand that the various unions in El Paso County had already presented their yearly agreement to the operators of that place for their ratification, and that they had until October 1 to sign up, and that this scale would abrogate the El Paso miners' contract and would place them in the position of repudiating their own contract, but he was finally convinced that the fifteenth district was larger than El Paso County, and that legislation at a district convention took priority over any local or subdistrict contracts or legislation. Then John Gehr took a stand in opposition to the scale, saying the operators would never agree to it, as it was asking entirely too much, and would surely cause a strike if we tried to enforce it. He was opposed by all the delegates, except Jim Ritchie, with the argument that it was not too much to ask, and they did not care if it did cause a strike, as they practically had the assurance that the national board would indorse it and support them in case of a strike. Gehr then said he, as national board member and the proper one to place said demand before the national board, would not carry such a demand before said board, as he did not consider it a fair demand or entitled to the consideration of the national board, and did not think we stood 1 chance in 100 in enforcing such a demand, even by striking, and he did not favor a strike anyway until we were more thoroughly organized. The fact was pointed out to him by Kennedy and others that we could not continue the organization under the tyrannical methods employed by the operators at all the camps in the South, and that he was a servant of District No. 15, and would have to carry out the demands of District No. 15 or cease to work for District No. 15, but if he would not carry the demands of District No. 15 before the national that Con Kelleher would. Kelleher had already signified his willingness to do so. Gehr was drunk all through the sessions of the convention, and he left the convention in a rage, and the demands were fully ratified and ordered printed and a copy ordered sent to each of the coal companies operating in District No. 15. This took up the time until noon and was not finished until some time in the afternoon. Then Con Kelleher gave the convention an address, reiterating the statements made to me several days ago, and which I reported at the time, that John Mitchell had instructed him to make the fact that he had met and conferred with John Mitchell as public as possible, and that Mitchell was going to convene the national executive board October 5 for no other purpose than to consider the grievances of District No. 15, and he had instructed him (Kelleher) to return to District No. 15 and have the convention draw up a scale and come to the national executive board meeting and lay the scale of District No. 15 before that body, and John Mitchell had as good as told him he thought the fight of District No. 15 would be taken up by the national. He also said he had talked with a number of the operators of Missouri while there, and all of them begged him to send all the men to them he could

in case Colorado came on strike. This news was received with applause. This and minor matters consumed the balance of the day, and at 5.30 the convention adjourned until 9 o'clock to-morrow. After supper I undertook to write up my report, but was interrupted several times, and when I finished yesterday's report I gave it up and went out with a number of the delegates and took in the town until about midnight, when we returned to the hotel, and I soon retired for the night. The sentiment of all the delegates with whom I discussed the subject was that there never was a more opportune time than now to make such a demand as we were now making, and they all thought that with the support of the national we ought to win in a great measure, at least.

SATURDAY, September 26, 1903.

This morning there was a resolution introduced condemning John I. Gehr for an article which appeared in the Pueblo Chieftain this morning, which is attached. This caused quite a wordy battle in the convention, as in the original resolution there was a paragraph to the effect that Gehr was continually intoxicated. Moran, Ritchie, and Tom Hurley said that while that was the truth, it was putting it too strong to the public, and Jim Kennedy, Julian Gradel, and a number of others said it was not strong enough, as he deserved greater censure for what he had done. The resolution finally passed with the clause pertaining to his intoxication stricken out. Gehr was not present, having gone home last night. This was one of the reasons given by Jim Ritchie for fighting the resolution. There were several resolutions of minor importance, also several minor amendments to the constitution submitted and passed, which took up the time until the noon adjournment, and the first thing after reconvening in the afternoon, Charles Moyer, president of the Western Federation of Miners, was introduced and spoke at some length on trades unionism, socialism, and the Cripple Creek strike and militarism, and in conclusion said he believed the Western Federation of Miners would eventually win their strike, and he hoped the United Mine Workers of America would immediately demand the eight-hour day, which, he believed, would strengthen the position of the Western Federation of Miners; and he hoped the United Mine Workers of America would succeed in forcing the autocratic operators to comply with their demands, and that they had the sympathy of the Western Federation of Miners and any financial aid that the Western Federation of Miners could give them. John C. Sullivan, president of the State Federation of Labor, was then introduced and talked at some length on the failure of the fourteenth general assembly to pass the eight-hour bill and said he believed that the only eight-hour bill which would stand was the eight-hour bill passed by organized labor—by refusing to work longer. He also went over the Cripple Creek situation and predicted the ultimate success of the strikers, and said he hoped the United Mine Workers of America would get some concessions from the operators, but he was afraid it would take a strike to bring these same operators to their senses, and that the United Mine Workers of America had the entire sympathy and moral support and whatever financial aid the State Federation could give. At the conclusion of Sullivan's remarks a resolution was introduced declaring for a free interchange of transfer cards with all legal unions, which, after some discussion, passed.

The resolution condemning the governor was then taken up and unanimously passed. Then the grievance of the locked-out men at Rugby was taken up, and, after some discussion, there was a resolution passed that the district give Rugby \$100 now and that each delegate on his return home request his union to donate \$5 and as much more as they can spare to reimburse the district treasury, and that if more than \$100 comes in from this call the excess is to be given to the Rugby union. The canvassing board then declared the following officers elected for the ensuing year: National executive board member, James Kennedy; district president, William Howells; district vice-president, James Graham; district secretary-treasurer, John Simpson; district executive board member for subdistrict No. 1, Charles Billington, Louisville, Colo.; subdistrict No. 3 I did not get; subdistrict No. 4, Robert Beveridge, Agular, Colo.; subdistrict No. 6, Frank Hefferley, of Blossburg, and Mr. Harlem were nominated and referred to a referendum vote of the subdistrict for a choice, this being a newly created subdistrict taken from subdistrict No. 4. After deciding by vote to hold the next annual convention in Pueblo the third Monday in September, 1904, and having a few short talks from the newly elected officers, the convention adjourned sine die, and after supper the entire crowd of delegates took in the town together until about 10 p. m., when they began leaving for their respective homes, and at 1.30 a. m. I took the train home, where I arrived at about 6 a. m.

Yours, respectfully,

MITCHELL ACCEPTS CHALLENGE.

The miners having concluded, as these reports show, that a solid stand for their demands was all that could save their organization, it was decided that they should call upon John Mitchell, president of the United Mine Workers of America, so they implored him to come to their assistance. President Mitchell listened to their plea, and telegraphed the officials of the Colorado Fuel and Iron Company, asking for a conference in order that they might take some steps toward adjusting the differences between the miners and the mine owners. The following telegram was sent by an official of the company to Mr. Mitchell:

DENVER, October 7, 1903.

JOHN MITCHELL, Indianapolis, Ind.:

Answering your telegram of yesterday, in Mr. Hearn's absence I have to say that we have not been advised and do not believe that our miners have any desire to strike, as we have always been able to adjust directly with them any differences that exist.

We do not think your organization is authorized to represent our miners, as very few of them belong to it. If you understand the situation as it really is, you no doubt regard the inciting of any further industrial disturbances in Colorado as ill-advised and criminal.

J. F. WELBORN.

It is not necessary to go into a further history of this contest. Mr. Mitchell accepted the challenge and called the strike. Union organizers were spotted by Operative Smith and roundly beaten up at night. The coal miners appealed to Governor Peabody, and got his usual dose. Finally the governor declared Las Animas County in a state of rebellion

and sent down the troops, and the usual violence followed. At last Mitchell called off the strike, and when the militia had secured a complete victory the coal miners' union had ceased to exist.

President Mitchell then decided to try to organize the district through secret means. In casting about for a likely man, he found Pinkerton Operative Robert M. Smith, chief cause of all the previous trouble, but as yet not revealed in his true character, and so he appointed Smith as district organizer, with the result that the whole movement was paralyzed. That is the story of one Pinkerton operative's work. Here follows some letters of the same kind, taken from the Miners' Magazine published at Denver, Colo. These letters are of recent date.

WORKING AT SAME OLD TRADE.

George W. Riddell, known as operative No. 36, and one of the slickest gentlemen ever sent into the West by the Pinkerton agency, was operating in Eureka, Utah, during January and February of last year, and I am going to quote some of his letters to show that he was at the same old game. Riddell was the man picked by McParland to ferret out the "inner circle" in the Western Federation of Miners. Riddell did not ferret out anything, and he said so on the stand in the Haywood trial, but that did not keep him from continuing to use the United States mails to transmit intelligence fraudulently received. Here are five of his reports from Eureka, Utah:

DEAR SIR: No. 36 reports:

EUREKA, Sunday, January 20, 1907.

To-day I was around the streets and saloons all day. Vance went to Payson to-day and no one was at the union office.

To-day was change day at the mines and the first nice day we have had this year. All the miners were around the streets and the saloons and I talked with a good many of them about their work, the condition of the mine, their bosses, etc. Only one of them, "Mickey" Sullivan, an employee of the "Blue Rock," had anything of interest to say. He told me everything at the mine was running smoothly; that Wes. Martin was doing more union agitating than any other two men on the "Blue Rock"; that John Endlund was a nice man and did not have it in for the union; that if Henry Larsen had Endlund's job he would fire every union man on the mine if he could; and that all the bosses at the mine were well liked by the men excepting Walter Suggs, and the reason they did not like him was because he was too much of a sucker and ran to Brown with everything he heard. Sullivan's job at the "Blue Rock" is general handy man, helping surveyor, etc.

Lund, the contractor for the union hall, was in town to-day. He expects to remain several days and try to straighten out the union hall tangle.

Respectfully submitted.

DEAR SIR: No. 36 reports:

EUREKA, Saturday, January 26, 1907.

To-day I was at the union office and around the saloons all day. There was nothing new of interest going on around town to-day nor at the union office. None of the men from the Blue Rock or other mines had anything of interest to say about the mines they were working in.

At the union meeting this evening about 100 members were present and two new members were initiated. The union decided to hold the demonstration meeting on February 17, even if they could get no outside speakers, and let local talent do the talking. Russell, Vance, Riddell, and Cramer were selected to enlighten the citizens as to the truth about the arrest of the W. F. M. officials in case no outside speaker could be secured. The union will purchase 1,000 copies of Justice McKenna's dissenting opinion in the Moyer-Haywood cases; also will get 1,000 copies of the anniversary edition of the Appeal to Reason, which will be distributed around the district. The union will also contribute the proceeds of its annual ball to be held February 8 to the defense fund, and will take up a subscription at the mass meeting to help swell the amount. Russell, Vance, and Cramer read articles from the Miners' Magazine and the Appeal to Reason relative to the Idaho cases, and endeavored by comments on them to stir up the membership of the union and make them feel that it was the duty of each and every one of them to do all in their power to liberate these men.

After the meeting I was around the saloons with Vance, Simpson, and others until 11 p. m., but learned nothing further of interest.

Respectfully submitted.

DEAR SIR: No. 36 reports:

EUREKA, Friday, February 1, 1907.

I was around the union office and saloons all day talking with Vance and other union leaders and miners. Cassidy, superintendent of the construction for the Bell Telephone Company, is trying to get Vance to take the position as local manager of the company. Vance came to me to-day, asking me to advise him whether to accept the position or not. I advised him to accept the position at once; told him he had a chance to better himself, and was always sure of a position with the company if he gave satisfaction; told him that the longer he worked for the union the worse he would be off, etc. He seemed to think my view of the matter was correct, and said he would talk the matter over with his wife and very likely take the position. I will do all I can to influence him, because there is no question but what he can be reelected as secretary of the union if he cares to run for the office.

There was nothing going on around town to-day which was of interest, and none of the miners I talked with had anything of interest to say about the Blue Rock or other mines.

Respectfully submitted.

DEAR SIR: No. 36 reports:

EUREKA, Saturday, February 2, 1907.

I was around the union office and saloons all day. There was very little of interest going on. I had a long talk with Vance to-day and did all I could to influence him to quit the union and take the position as manager of the Bell Telephone Company. I think he will take the place. With him out of the way I think the union will lose part of its membership and will be much more conservative. The union has no other member who will be as capable in the position as Vance is. This evening I attended the regular meeting of the miners' union.

About 100 members were in attendance. Three new members were initiated into the union. There was no business to come before the meeting. Several of the members made short speeches on unionism and socialism. Nothing else of interest occurred at the meeting.

After the meeting adjourned I was around the different saloons until 11 p. m., talking with different miners about the Blue Rock and other mines. None of them had any complaints to make about their work or their bosses, and according to what they say, everything is running smoothly at the Blue Rock and other mines. Jack Smith, shift boss at the Blue Rock, was gambling and drinking all last night and only worked one-half shift to-day. He gave as his excuse for quitting at noon, that his wife was going to Salt Lake on the afternoon train. Smith told me that his wife went on the train all right, but that is not the reason that he came home.

Respectfully submitted.

DEAR SIR: No. 36 reports:

EUREKA, Sunday, February 3, 1907.

I was around the union office and saloons all day. To-day was change day at the mines and there were a good many men from the Blue Rock around the saloons. I talked to several of them about the mine, their work, etc., but did not learn anything of interest from them.

Vance is liable to take the telephone job. He wants \$90 a month and the telephone company thinks that is a little too much. They want him to take \$80, and he will not do it because he makes more than that working for the union. He told me this evening that he would not take the position for a cent less than \$90 per month.

I have a chance to go to work here in town attending bar, beginning with the 10th of this month. As the arsenical lead poisoning I have got will prevent me from working in the mines for at least six weeks yet, and as the work will not in any way interfere with my other work, I am going to take the job, and by so doing can get all the information they have easier than I can now.

There was nothing of interest going on around town this evening. Fifteen or twenty miners were on a drunk, most of them leasers, but none of them had anything of interest to say.

Respectfully submitted.

THE SAME GAME IN MINNESOTA.

Upon the Mesabi range, in Minnesota, the miners and the mine owners have been having a lot of trouble. The Pinkertons were not long in getting into the field, because it was a good thing to push along. The more enmity they could stir up, the longer they would draw money from the mine owners. Here is a dispatch to the New York Worker, which lets in a little light on the subject and shows an absolute resemblance to operations in the West:

A number of miners have been arrested and tried on various charges connected with the strike on the Mesabi range in Minnesota. Courts at Hibbing, Naswauk, and Bovey have sent a number of miners to jail without any pretense of observing legal processes. Where jury trials have been secured the men have been acquitted in every instance. Detectives of the steel trust had one miner by the name of Grahek indicted, but it required but three minutes for the jury to acquit him. The "evidence" of the prosecution was of the same character that the Pinkertons gathered in the Haywood trial.

One jurymen after the trial stated that if he had been in the defendant's place, and the company detectives attempted to enter his premises in the manner done in this case, he would have filled them so full of holes that they would be unable to commit any further trespass on any person's rights. Other jurors gave utterance to similar expressions.

"GOOD PICKING" IN WYOMING COLLIERIES.

Of course, Mr. Chairman, there is not very much known about the way things were done in Wyoming back in 1903, and I would like to add that things have been going on in pretty much the same way up to now. It is a story of how the United Mine Workers of America did not get into the Union Pacific Coal Company, which has its best properties at Rock Springs, Wyo. In that story is plenty of material for a melodrama and out of what was left over one could produce a very good three-act comedy or tragedy, as he wished it, with a character that would completely overtop the renowned Raffles for cleverness in appropriating the property of other persons; that is, Thomas J. Williams, on the Pinkerton books as No. 15. How Williams, by the uttermost arts of duplicity, baffled every effort of John Mitchell to unionize that district is a long story, but the essence of it is that Williams used the mails to tip off the meeting places of the organizers, with the result that Superintendent Black of the company, or some of his assistants, were always on the ground, midnight or noon, it made no difference about the time of day, and the consequence was that the cowed miners quit right now and left the floor to the organizers. That happened so often that they gave up the attempt to organize the district. But they are trying again and they were trying last winter. Operative Williams had sought surcease from the mental ghosts of his duplicity in the cup that cheers, so Olaf E. Erickson went out there in his place and to the Pinkerton office he reported, always through the United States mails, under the title of No. 20-D, which unconsciously makes one think of penitentiaries and things. But facts are that the reports I present are the ones which No. 20-D made to his home office through the mails, and I want to present them, Mr. Chairman:

DEAR SIR: No. 20-D reports:

ROCK SPRINGS, Wednesday, December 12, 1906.

I worked to-day and during the shift we were not very busy. I made several attempts to get my partner interested in a way to pay Jones for a change. He thought it would be all right, but hesitated about saying anything in favor of the plan. I will keep after him and see what he will do.

This evening I was at Delapicola's for an hour or so, then went over to the Dewey, and had a talk with Alf Flor, but was unable to get a chance to go into details with him. I went around to the Omaha and Navy. Things were very quiet, owing, I suppose, to the storm raging. I discontinued at 9.30 p. m.
Respectfully submitted.

DEAR SIR: No. 20-D reports:

ROCK SPRINGS, Wednesday, December 12, 1906.

I worked the regular shift to-day. I talked with Jim Pollo, Charles Regis, and the drivers a little during the day, but we had not time to get interested in anything of importance. Jim Pollo and my partner said they would be at the Delapicola Saloon to-night and wanted me to be there.

This evening I went around to the Milwaukee, Navy, and Omaha saloons first, then went to the Delapicola Saloon. Louis Delapicola was on shift. I asked him if Jim Pollo had been there. He said, "Who do you mean? That U. P. sucker?" I said, "I don't know; I didn't know he was a U. P. sucker." He said, "Yes, I hear he used to be with the workmen when he first went to work, but since that the company has got a hold on him." I learned he had reference to Pete Pollo, the timekeeper in the forty-seventh entry. I asked him concerning Jim Pollo, but he said, "I guess there isn't much difference between the two."

Pollo never showed up, but my partner did, and I met Pete Andrietta there. We got to talking of the better places to work in No. 1, and I finally got down to where Louis and I said we would offer \$10 or \$15 next pay day for a change. Louis agreed to it, but before that time comes he is likely to have a talk with Fontana about it; then maybe it will be all right and maybe not. Anyway, it is all I can do to find out something and can't hurt anything. They say that it must be a fact that Jones is accepting money from the men. We talked of other subjects for some time, and I discontinued at 10 p. m.
Respectfully submitted.

DEAR SIR: No. 20-D reports:

ROCK SPRINGS, Tuesday, December 18, 1906.

I worked the regular shift to-day. My partner went to the U. P. office last night to see Jones about being changed to work with Fontana. Fontana's partner is going to work at No. 9 with his brother-in-law and has already quit No. 1 and was to start at No. 9 to-day.

Jones told Louis to wait five or six days and he would see about it, but thought he would get the place all right. Fontana's partner was at the office at the same time Louis was.

Louis asked me if Fontana's partner asked Jones if he could come back and get a good place in No. 1 in case he didn't like No. 9, and Jones told him yes.

I talked with Louis about why Jones wanted him to wait five or six days before being changed. He said he didn't know. I asked him if he had put up anything. He said, "No; not yet," but we will see him again. Louis told me Jones visits Anton Facinelli's saloon frequently. We knock off at 5.30 p. m.

This evening I was at Aho's saloon with Sam Force and also Ike Maki and met Herman Mikleson and Ike Jervi there, and also two more that I didn't know by name. I spent an hour or so talking with them, then went to Facinelli's saloon. I asked for Louis Fedel and found that Louis had not been there, and it was not likely he would be after that hour, so I went to the Palace where a number of U. P. drivers were. I joined them, but heard nothing of interest.
I discontinued at 10 p. m.
Respectfully submitted.

DEAR SIR: No. 20-D reports:

ROCK SPRINGS, Thursday, February 21, 1907.

I spent the day at different resorts, a great deal with Martello and Facinelli. We talked of nearly everything. Martello is trying to sell out his place and leave town. He had not heard anything about the organizer, and I obtained nothing new.

I then met Ike Jervi. He was off to-day, so I was around with him for some time, and we met Gus Sillimaki. He told me he came here from Hanna, that he had been there for two months and his parents live there, and that he was a clothing salesman for a Chicago firm. He used to run a saloon in this town where the Milwaukee now is. I got nothing new out of him.

When I met Ike Jervi about this other man I heard was here from Hanna a couple of days ago he told me there was a Finn here from Hanna who tried to get the use of the Finn hall, but said the Finns here were afraid and wouldn't let him use it. I told him I had heard the hall was engaged, but Ike said no; that that was not the reason, but it was because the Finns here were afraid.

Wessman was pretty busy to-day, and I was unable to talk with him. This man I have mentioned as Harkman is named Harcomb, and is assistant shipping clerk for the U. P. I had quite a talk with him this evening, and while he does not say anything for or against unions, he is kicking about his salary, and says that unless he gets a raise of \$15 per month soon he intends to leave.

I visited the Wyoming, Milwaukee, Omaha, and Navy saloons, but everything was very quiet this evening, and not many of the men were out.

DEAR SIR: No. 20-D reports:

ROCK SPRINGS, Saturday, January 19, 1907.

I worked to-day in the same place. Nothing of interest occurred during the shift. At 5 o'clock I met Fontana and Jim Pollo near the slope. We talked for a short while. Fontana told me again that as soon as we finished this room he thought he would get a good place to work, so there is no use to press him now. I will ask my partner if he has any particular place that he wants to work in, then see Fontana and get him to see Jones about it. We quit at 5.30 p. m.

This evening I visited several resorts. I spent some time at the Delapicola Saloon talking with Louis Delapicola. My partner had been there looking for me, but left before I got there. From there I went to the Palace, then to the Dewey Saloon and met Jim Harris, Billy Iredale, and Sam Morgon. I heard nothing of interest from these men. I then went to the Navy Saloon, where I met Keeler and Hieronimus, a fireman and brakeman on the branch between here and Superior. Hieronimus, the brakeman, was complaining about having too much work and said he would not stay if it were not for the extra money they made from men going to and from Rock Springs, which, he says, amounts to several dollars some days; and in speaking of Clarke, who has charge of that train, they said he was all right and splits the money among them. They said George Branscombe, the man who used to have that train, was the boy to get the money. I discontinued at 11 p. m.
Respectfully submitted.

DEAR SIR: No. 20-D reports:

ROCK SPRINGS, Friday, January 25, 1907.

To-day I did not work in the mine, as the hoist is still out of order on the east side, so I put in the day at the different saloons; spent the biggest part of the time at the Geneva Saloon talking with Jim Hill and Emil Latanzi. They are both strong union sympathizers and union men and again said they wished this town was organized, but outside of talking in favor of unions nothing of interest was said. I wanted to talk with Latanzi about Jones, but did not get the chance. Latanzi is popular, speaks several languages, and may know something about Jones.

This evening I spent at the Milwaukee and Navy saloons. Things were very quiet to-night all over town. At the Navy I met Murphy, Jack Martin, C. Riddle, and John Maxwell. They also did some union talking. They think that eight hours is long enough to work in the mines. Later I met William Howells, Billy Iredale, and Tom Davis, and talked with them for some time, but learned nothing new, and discontinued at 10 p. m.

Respectfully submitted.

DEAR SIR: No. 20-D reports:

ROCK SPRINGS, Saturday, February 2, 1907.

I didn't work to-day. I went to the Omaha, Navy, and Geneva saloons, but everything was pretty quiet.

At the Navy this evening I met several No. 2 drivers. Among them was Tom Sheffield. He mentioned being over in Dillon, Wyo., and said it was a strong union camp and that he belonged there and believed strongly in unions.

I went into the Omaha again, also over the Palace. It was the U. P. Company's pay day, but everything was quiet all over town except at the Geneva, where I met Jack Nordberg, Talso, Savola, Tovo, Henry Maki, John Maki, Jervi Mickelson, Jim Hill, George Harris, and several others, but did not learn anything new.

I then went to Aho's, but there was no one in there. Since Jervi went out to work at the Geneva, all the Finns have left Aho's.

I discontinued at 12 midnight.
Respectfully submitted.

DEAR SIR: No. 20-D reports:

ROCK SPRINGS, Tuesday, February 12, 1907.

I worked the regular shift to-day. My partner changed to room 70, 46 entry, to-day and I was given another partner, a Pete Rich, recently from Louisville, Colo. The man who worked with me for three days is Pete Bonini. This new man, Pete Rich, I questioned to-day about Louisville, and whether he belonged to the union or not, but he didn't say he did, although he seems to believe in unions. He speaks several languages and is French, he says. I believe he is an Austrian. Nothing of interest occurred during the day.

I had a talk with Fontana and Fedel while waiting for the trip. They said I was lucky to get rid of Pete Bonini.

I spent this evening at the Howard and met several Finn men. From Ike Jervi I got the information this Chris — (something) — Talso told me the other night Chris Lapland, but Jervi doesn't know the name—was a Socialist and had held a meeting here on the subject; but the Finns did not take much interest in him, as he is known as a schemer, etc. Then, in regard to this stock proposition I mentioned, that is now being done by Henry Havola, an old-timer here, but has just returned from Finland. On his way here he stopped off in Colorado and Telluride, where several Finns are interested in mining on the cooperative plan, and says these Finns working in No. 1 are fools, etc., working in a place like that when they can go to other places, say Telluride, for one, and get more money and work eight hours. Havola does not intend to stay here very long, but will go to California in the interest of the miners in Finland.

I also met Pete Rich at the Howard, and Joe Patterson. They were talking of old times at Louisville. Also met Wessman, Harry Knopela, and several more Finns, but nothing of interest was obtained from and several more Finns, but nothing of interest was obtained from them.
Respectfully submitted.

DEAR SIR: No. 20-D reports:

ROCK SPRINGS, Wednesday, February 13, 1907.

I worked the regular shift to-day. My partner is disgusted with the place already and says he is going to tell Jones that he stuck him in the worst place in the mine. He is going to ask for a change. I told him he may get a change if he gives Jones a piece of coin, but it didn't take well with him. He said he never paid a boss for a job in his life and wouldn't. I told him he had better stay with me until we finished the room now, even if we didn't make much, and we might get a good place after we got through, so he may not say anything to Jones.

Nothing of interest was obtained through the day and we knocked off at 5.30 p. m.

This evening I again visited the Howard, where, as usual, in the evening, I met a number of men. I met Louis Jurick, who told me about the machine runners at No. 10 going out on strike for a 5 per cent raise. I could not learn who the men were that started it, or was the cause of them going out, except he said they were either Austrians or Italians, and he wished everybody who worked in the mines would go out for higher wages.

Fred Highley is a driver at No. 10. I started the same subject with him and he said: "Don't tell me the Italians and Austrians aren't good union men. See how they went out." He doesn't know who the leader of the men is; said it is kept very quiet and it is all between themselves (the machine runners). He said: "They will stay out until they get the raise." He said to-day they had company men running the machines at \$3.50 per day, but says that won't last long as they only cut about one room per day and that was costing more than the other men even with the 5 per cent raise. I heard something about the drivers at No. 10 thinking of kicking for a raise, but from Highley I learned that there is nothing to that.

I also met Victor Talso, August Czar, Henry Knopala, Fred Williams, Dominick Paruka, Joe Dretta, Joe Dyett, and several others there. I spent some time among them, but heard nor learned nothing of importance.

Respectfully submitted.

WHAT IS THE OBJECTION TO THE BILL?

Many more letters of the same kind could be offered, but these are sufficient—for they are all very similar—to show the character of the matter that the mails are carrying at the instance of the detective agencies. That there might be no mistake as to the truth of my contentions, the foregoing letters are offered to show that this unprincipled business could not thrive were it not

for the use of the United States mails, and which, if permitted to be used, must continue this species and quality of scoundrelism.

Can there be any objection, if we are willing to accord fair and just treatment to labor unions and to the work they are doing for the betterment of society generally, to the enactment of this bill into a law? I can see none.

I have spoken briefly of the cunning and skulking work of the Pinkertons. It could not be worse. It is a kind of by-product of the mad race for riches, prompted and sustained by the arrogant power of wealth.

In the lowest strata of human nature work these vermin of corruption, but how much better are the men who employ them and who pay them to degrade themselves? And yet some of these very men become prominent in the legislative halls and assemblies of the country and make patriotic speeches about constitutional government, the Army, and the Navy. They are always for the Army and the Navy, the great bulwarks of organized capital, for behind them capital feels safe. But how about the industrial slave, driven from pillar to post and turned out of his job, without notice or warning in times of industrial depression and money shortage, to starve or to beg? There are not many who make speeches in his behalf and point out how his condition is to be made better, so that he and his family can have bread and some of the good things of life.

What I have said represents, to my mind, one angle of what might be termed a triangle of organized powers which clutch the proletariat of this country. This power is base and iniquitous. It represents the brutal power of money, mad with the spirit of commercialism, without a shadow of mercy, hard, and from every point unbrotherly. It is the tiger of capitalism in action, aided and in a degree made respectable by the post-office establishment.

THE SECOND POWER.

The dear public, the bourgeoisie, is the second force, and is always looking for help against the violence of labor unions from the courts, the legislatures, and the Congress. The public is fond of arbitration for the reason that society, of which it is the biggest part, makes up the board, and the award is almost certain to be in favor of respectability. The property of the dear public must be protected against injury by the conflicts of labor and capital. The workers must be content. They can get along on poor fare, shabby clothes, and a three-room rented cottage, and do without legislation; for legislation is for the public and property. The profits all belong to capital. What boots it if the workers do suffer? Have they not been used to it for all the years gone by? I am of the opinion, however, that it is about time that some of the burdens were distributed and borne by different classes of society rather than be endured in the main by one class. I am for a division of profits, burdens, and suffering, even if the innocent public be called upon to bear its portion. But I can not pursue this phase of the subject any further.

COMMISSION'S REPORT ON GOLDFIELD.

However, in order that the public may get a correct understanding of the labor troubles in the West for the last decade or two and that it may know to what extent the detective agencies have contributed to the violent conflicts, as the agents of the property class, between labor and capital, and in exonerating, measurably, of the workmen of the West, most of whom are members of the Western Federation of Miners, I desire in this connection to call attention to the recent message of the President, which contains a report on the imaginary labor troubles in Goldfield, Nev., and which was sent into this House on February 3, 1908, in compliance with a resolution which I had the honor to introduce on January 14, calling for the report of the special commission appointed by the President to examine into the Goldfield labor trouble.

The same effort on the part of capitalism, to stir up strife and to arouse the country against the miners of the West at Goldfield was attempted to be done in letters from the governor of Nevada. Although the report does not mention the commercial detective as being present, yet I assure you that he was there in full force and fully alive to his engagements with the companies. In his letters, Governor Sparks, of Nevada, expressed in strong and unequivocal terms that nothing but the military could prevent an uprising of the Western Federation of Miners that would be as destructive of property and human life as a similar uprising had been in the Coeur d'Alene district of northern Idaho in 1899 and in the Cripple Creek district of Colorado in 1903 to 1906. But the President's attention was aroused by a published statement in the eastern newspapers that the mine owners were about to make a general reduction of wages and inaugurate some new methods in the handling of their business, unfriendly to labor. This prompted him to appoint a commission of three honest men, fearless public serv-

ants. They went to the field of action and informed themselves of the trouble which it was pretended was threatened, and their conclusions are embodied in the President's message to which I have referred. And it must be admitted by all that this report is to the credit of the Western Federation of Miners and to the condemnation of the Mine Owners' Association of the State of Nevada.

I desire to say that if a similar commission had gone to the Coeur d'Alene district in 1899 and made the same kind of an examination that was made in Goldfield last December and January, the troops would never have been called into that district and the atrocities of the bull pens at Wallace and Wardner would not be a matter of history that is most discreditable to the persons who took part in it, for the prime cause of those troubles was the same overbearing tactics recently undertaken in the Goldfield district. The same statement may be truthfully said about the troubles in the Cripple Creek district. And had a similar report been made at the beginning of the trouble in that district and reported to the world through the Congress of the United States, the horrors of the blowing up of the Independence depot and the Victor mines, and the destruction of life and property that followed—the bull pen, the deportation of innocent miners, and the fruitless trial of Haywood, which cost the State of Idaho more than \$100,000—would not now stain the history of Colorado as to its labor troubles.

I desire to make this report a part of my speech, for it should be read in all parts of the United States, as giving a faithful and correct account of the labor troubles of the entire West. The President's message, in which the report is incorporated, is as follows:

The House of Representatives:

I transmit herewith a report by the Secretary of State with copies of papers called for by the resolution of the House of Representatives on January 22, 1908, reading as follows:

"Resolved, That the President be requested to transmit to the House of Representatives, if not incompatible with the interests of the public service, a copy of the report made to him by the special commission, composed of Lawrence O. Murray, Herbert Knox Smith, and Charles P. Neill, sent by him to Goldfield, Nev., for the purpose of investigating the labor troubles in that district and to make a report concerning the same; and also such other papers relating thereto as in his judgment are material and for the better information of the House."

THEODORE ROOSEVELT.

THE WHITE HOUSE, February 3, 1908.

THE PRESIDENT:

The undersigned, the Secretary of State, to whom was referred the resolution of the House of Representatives of January 22, 1908, requesting the President "to transmit to the House of Representatives, if not incompatible with the interests of the public service, a copy of the report made to him by the special commission, composed of Lawrence O. Murray, Herbert Knox Smith, and Charles P. Neill, sent by him to Goldfield, Nev., for the purpose of investigating the labor troubles in that district and to make a report concerning the same; and also such other papers relating thereto as in his judgment are material and for the better information of the House," has the honor to lay before the President copies of the papers requested.

Respectfully submitted.

ELIHU ROOT.

DEPARTMENT OF STATE,
Washington, January 31, 1908.

List of papers.

Senator NIXON to the President, December 4, 1907.
Governor Sparks to the President, December 3-4, 1907.
The President to Governor Sparks, December 4, 1907.
Governor Sparks to the President, December 5, 1907.
Mr. JONES to Mr. Loeb, December 5, 1907.
The President to Governor Sparks, December 5, 1907.
Senator NEWLANDS to the President, December 10, 1907.
The President to the Secretary of State, December 13, 1907.
The Secretary of State to Governor Sparks, December 14, 1907.
Governor Sparks to the President, December 15, 1907.
The President to Governor Sparks, December 17, 1907.
Messrs. Murray, Neill, and Smith to the President, December 17, 1907.
The same to the same, December 20, 1907.
The President to Governor Sparks, December 20, 1907.
Governor Sparks to the President, December 22, 1907.
The President to Governor Sparks, December 23, 1907.
Governor Sparks to the President, December 26, 1907.
The Secretary of State to Senator NEWLANDS, December 27, 1907.
The Secretary of State to Mr. Loeb, December 28, 1907.
Mr. Loeb to the Secretary of State, December 28, 1907.
The President to Governor Sparks, December 28, 1907.
Governor Sparks to the President, December 29, 1907.
The Secretary of State to Senator NEWLANDS, December 30, 1907.
Governor Sparks to the President, December 30, 1907.
Proclamation by Governor Sparks, December 30, 1907.
The President to Governor Sparks, January 4, 1908.
Report by Messrs. Murray, Neill, and Smith, December 30, 1907.
Governor Sparks to the President, January 17, 1908.
The President to Governor Sparks, January 17, 1908.
Governor Sparks to the President, January 30, 1908.

(Senator NIXON to the President.)

[Telegram.]

NEW YORK, December 4, 1907.

THE PRESIDENT, Washington, D. C.:

I am informed Governor Sparks of Nevada has sent you important telegram relation to critical situation in Nevada which needs immediate

action. Hope it will be possible for you to grant his request. Senator NEWLANDS and Congressman BARTLETT can give further particulars and I will return to Washington this afternoon if you desire personal interview. Address Waldorf.

- GEO. T. NIXON.

(Governor Sparks to the President.)

[Telegram.]

CARSON CITY, NEV., December 3-4, 1907.

HON. THEODORE ROOSEVELT,
President of the United States.

MR. PRESIDENT: It now seems apparent that in the near future Nevada may expect serious labor troubles in the district of Goldfield and adjoining camps, which may result in violence and great destruction of both life and property. The State has no enrolled militia and if it had I doubt very much whether it would be effective in maintaining law and order. I am this day in communication with our Congressional representatives urging them to consult with you concerning conditions above stated, and as we now see them, it appears to me, as governor of Nevada, that it is my duty to ask if you can consistently give us assurance that we may depend upon immediate relief from the Presidio Barracks. I assure you, Mr. President, I am aware of the fact and consider it an extraordinary request to be made by any governor of the United States, but the existence of the case seems to require it at this time. I am informed that desperate men are now securing dynamite and arms to destroy property and human life. The sheriff of the county seems to be absolutely unable to cope with the situation. A committee of mine owners, mine operators, and mill operators from the Goldfield district is now in consultation with me, and I assure you, Mr. President, that they are well satisfied that we need relief. We have no military garrison in the State of Nevada and a small detachment of Federal troops stationed at Goldfield would certainly relieve the situation.

Very respectfully,

JOHN SPARKS, Governor of Nevada.
R. C. STODDARD, Attorney-General.

(The President to Governor Sparks.)

[Telegram.]

THE WHITE HOUSE,
Washington, December 4, 1907.

HON. JOHN SPARKS,
Governor, Carson City, Nev.:

Telegram received 3.05 o'clock this afternoon. The Federal Government is prepared to send detachment of troops at any moment, subject, of course, to your making call under conditions prescribed by the United States Constitution and statutes as set forth in sections 5297 and 5299 of the Revised Statutes, these two sections carrying out section 4 of Article IV of the Constitution. The call of the governor must itself recite such a condition of affairs in accordance with the terms of the laws above referred to as will warrant the President in acting. I have ordered not to exceed two companies to be ready to move immediately if you make such request, as two companies would, I suppose, amount to the small detachment of which you speak.

THEODORE ROOSEVELT.

(Governor Sparks to the President.)

[Telegram.]

CARSON, NEV., December 5, 1907.

HIS EXCELLENCY THEODORE ROOSEVELT,
President of the United States, Washington, D. C.:

At Goldfield, Esmeralda County, State of Nevada, there does now exist domestic violence and unlawful combinations and conspiracies which do now so obstruct and continue to so obstruct and hinder the execution of the laws of the State of Nevada and now deprive and continue to deprive the people of said section of the State of the rights, privileges, immunities, and protection named in the Constitution of the United States and of the State of Nevada and which are secured by the laws for the protection of such rights, privileges, and immunities; and the constituted authorities of the State of Nevada are now and continue to be unable to protect the people in such rights, and the reason of such inability and the particulars thereof are the following, to wit, unlawful dynamiting of property, commission of felonies, threats against the lives and property of law-abiding citizens, the unlawful possession of arms and ammunition, and the confiscation of dynamite with threats of the unlawful use of the same by preconcerted action.

The lawfully constituted authorities of this State are unable to apprehend and punish the perpetrators of said crimes and to prevent the commission of other threatened crimes, and unless the relief hereinafter requested is granted this State and the lives and property of large numbers of its people will be irreparably affected and damaged, contrary to the peace and dignity of the United States and of the State of Nevada.

Therefore, pursuant to Article IV, section 4, of the Constitution of the United States, and to sections 5297 and 5298 of the Revised Statutes thereof, I, John Sparks, governor, do hereby respectfully request that Your Excellency Theodore Roosevelt, President, do immediately send to Goldfield, Esmeralda County, Nev., two companies of the troops of the Army of the United States to suppress unlawful disorder and violence, to protect life and property, to restore peace, and to insure protection of law to the people of the State of Nevada.

In witness whereof I have hereunto set my hand and caused the great seal of the State to be affixed at the capitol, Carson City, Nev., on this 5th day of December, A. D. 1907.

JOHN SPARKS, Governor.

Attest:

W. G. DOUGLASS,
Secretary of State.

(Mr. JONES to Mr. Loeb.)

UNITED STATES SENATE,
Washington, D. C., December 5, 1907.

DEAR MR. SECRETARY: I inclose herewith the copies of telegrams passing between the President and the governor of Nevada which you allowed me to have last evening.

Again thanking you for this courtesy, I am,

Yours, very truly,

D. V. JONES.

Hon. WM. LOEB, JR.,
Secretary to the President, Washington, D. C.

(The President to Governor Sparks.)

[Telegram.]

THE WHITE HOUSE,
Washington, December 5, 1907.

HON. JOHN SPARKS,
Governor, Carson, Nev.:

I have received your request for troops made in accordance with the Constitution and laws of the United States and will accordingly immediately direct that a sufficient number of troops be sent to Nevada. The number must be determined by the military authorities.

THEODORE ROOSEVELT.

(Senator NEWLANDS to the President.)

UNITED STATES SENATE,
Washington, D. C., December 10, 1907.

MY DEAR MR. PRESIDENT: I join with Senator NIXON and Representative BARTLETT, of Nevada, in the request that you select some representative to go to Nevada and make a careful examination into existing conditions with a view to the maintenance of peace and good order, and that you retain the troops at Goldfield until after you have received the report of such representative.

Very respectfully, yours,

FRANCIS G. NEWLANDS.

THE PRESIDENT,
The White House, Washington, D. C.

(The President to the Secretary of State.)

THE WHITE HOUSE,
Washington, December 13, 1907.

THE SECRETARY OF STATE:

I transmit herewith copies of correspondence between myself and the governor of Nevada and the Senators and Member of the Lower House from Nevada and the War Department. In accordance with the request of Governor Sparks, and for the reasons set forth therein, this request being supported by the request of the two Senators and Member of the Lower House from Nevada, I have ordered troops to be sent to Nevada so that they will be available in the event that the situation contemplated by the Constitution and the laws and apprehended by the governor of Nevada shall arise.

Will you please procure from the War Department all papers bearing upon this subject? Please communicate with the governor of Nevada as to the steps on the part of the government of that State which will be a necessary precedent to further action on the part of the Federal Government.

THEODORE ROOSEVELT.

(The Secretary of State to Governor Sparks.)

[Telegram.]

DECEMBER 14, 1907.

HON. JOHN SPARKS,
Governor, Carson City, Nev.:

The President has transmitted to the Department of State the correspondence between the governor of Nevada and the President of the United States relating to the use of national troops in relation to certain disturbances existing or anticipated at Goldfield, in the State of Nevada. The President has instructed me to advise you officially that he has caused several companies of the Regular Army to proceed to the locality in which such disturbances exist or are anticipated, to the end that they may be available in case the occasion contemplated by the Constitution and the laws of the United States for their interposition shall arise.

The calls upon the President on the part of the government of Nevada for the interposition of troops do not at present satisfy the requirements of the Constitution and the laws so as to justify orders that the military force now at Goldfield shall take any affirmative action. If such action should be desired under the Constitution and section 5297 of the Revised Statutes to suppress an insurrection, a call must be made by the legislature of the State, unless circumstances are such that the legislature can not be convened, and no statement or intimation has been made that the legislature of Nevada can not be convened. Action under section 5298 of the Revised Statutes relates only to the enforcement of the laws of the United States. Action under section 5299 of the Revised Statutes is to be taken not upon the call of the government of a State, but upon the judgment of the President of the United States that some portion or class of the people of a State are denied the equal protection of the laws to which they are entitled under the Constitution of the United States. Action under this section requires the production of evidence of specific facts sufficient to sustain a judgment by the President that the condition described in the statute exists.

A mere statement of domestic disturbance would not seem to be sufficient.

The facts thus far stated in the telegraphic communications from the governor of Nevada, high and unimpeachable as is the source, do not seem sufficient to sustain a judgment that the condition described in section 5299 exists.

It therefore appears that the communications thus far received from the government of Nevada do not constitute or furnish the basis for authority on the part of the President to direct the use of the armed forces of the United States in the maintenance of public order at Goldfield.

I respectfully suggest that if in your judgment such interposition is needed you furnish further evidence of facts justifying action by the President under section 5298 or 5299, or cause the legislature of Nevada to be convened and to make the necessary call in accordance with the Constitution and section 5297 of the Revised Statutes.

ELIHU ROOT.

(Governor Sparks to the President.)

[Telegram.]

GOLDFIELD, NEV., December 15, 1907.

(Received December 16—9.20 a. m.)

THE PRESIDENT, Washington, D. C.:

Fourteenth from Secretary of State. Submit that conditions in Goldfield necessitate presence but does not warrant active intervention of United States troops. However, am prepared to submit affidavits of more than one hundred representative citizens that they have been deprived of their rights as citizens of the United States and of State of

Nevada. Arrival of troops in Goldfield undoubtedly prevented rioting and other disorder, as is shown by statements of same people, including sheriff. Although active intervention of United States troops not now necessary, withdrawal at present would unquestionably precipitate disorder which local and State authorities would be unable to control. In the event of rioting and other disorder justifying military intervention will make requisition in accordance with statutes.

Desire to express appreciation of your prompt action in sending United States troops here, which relieved a most critical condition, and hope that you can retain troops here until present troubles are adjusted. Expect to remain as long as necessary.

JOHN SPARKS, Governor.

(The President to Governor Sparks.)
[Telegram.]

THE WHITE HOUSE,
Washington, December 17, 1907.

HON. JOHN SPARKS,
Governor of Nevada, Goldfield, Nev.:

I sent the troops at your request because from the tenor of your telegrams and from the representations made me by the two Senators from Nevada and the Member of the Lower House of Congress from Nevada it appeared that an insurrection was imminent, against which the State authorities would be powerless. The troops have now been in Goldfield ten days and no insurrection has occurred and seemingly no circumstances exist to justify your now calling on me for action by the troops under the provision of the Constitution. The troops were sent to Goldfield to be ready to meet a grave emergency which seemed likely at once to arise and to provide a substitute for the exercise by the State of its police function. I do not feel at liberty to leave them indefinitely under such circumstances that they will in effect be performing on the part of the United States those ordinary duties of maintaining public order in the State of Nevada which rest upon the State government. As the legislature of Nevada has not been convened, I am bound to assume that the powers already vested in the peace officers of the State are adequate, and that if they choose to do so they can maintain order themselves. Under these circumstances, unless there be forthwith further cause shown to justify keeping the troops at Goldfield, I shall direct that they return to their former station.

THEODORE ROOSEVELT.

(Messrs. Murray, Neill, and Smith to the President.)
[Telegram.]

GOLDFIELD, NEV., December 17, 1907.

THE PRESIDENT OF THE UNITED STATES,
Washington, D. C.:

Have conferred with Funston, and governor has shown us all telegrams from Washington, including that of to-day.

Conditions here complex and probably critical. Suggest that no action for withdrawal of troops be taken for forty-eight hours. Will then make a report by telegraph.

MURRAY, NEILL, and SMITH.

(Murray, Neill, and Smith to the President.)
[Telegram.]

GOLDFIELD, NEV., December 20, 1907.

THE PRESIDENT, Washington, D. C.:

We do find no warrant for statement that there has been or is a complete collapse of civil authority here. All the machinery of civil government has been in operation, but has been ineffective in dealing with certain forms of crime because local sentiment has nullified its action. On question of deportation, the evidence only sustains at the very maximum probably twenty-five cases in the last two years. Last March a very acute labor dispute existed, lasting some weeks, in which the city was practically an armed camp. Since then the best evidence we have indicates the number with arms ordinarily is no larger than commonly found in mining camps. Representatives of trades in American Federation of Labor here all agree that practically no members of their crafts have felt any occasion to carry arms since acute condition of last March. Our investigation so far completely has failed to sustain the general and sweeping allegations in the governor calling for troops, and the impression as to conditions here given in that call is misleading and without warrant. We do find no evidence that any condition then existed not easily controlled by the local authorities. Neither immediately preceding nor since the arrival of troops has there been any particular disorder, but immediately after arrival of troops mine owners announced reduction of wages from \$5 to \$4, and positively refused employment to all men who do not agree to renounce in writing the local union, although a law of Nevada prohibits such requirement. Large majority of our witnesses assert very earnestly that if troops should be withdrawn now and owners insist upon above requirements there will result serious violence directed against life and property. Rifles in considerable numbers brought in by both sides some time ago are still believed to be in their possession. Many say they will leave as soon as possible if troops should be withdrawn, and we believe that many of them are sincere in these assertions. The sheriff, two out of three of the county commissioners, two members of the legislature, and the district attorney, representing nearly all civil authority of the county, have been before us to-night in long conference.

So far as can be learned no county officer was consulted by governor previous to calling for troops. All still resent his action and consider it was unnecessary. They do not believe there has been any need for troops here up to date, but they all further agree and have given us signed statement to the effect that the new element brought into situation since arrival of troops creates a dangerous condition, and they recommend troops be left here until present difficulties are adjusted. Although desiring the continuance of troops here, and notwithstanding they have given us a signed statement to that effect, they evade the assumption of any responsibility and specifically refuse to say that local authorities would be unable to maintain law and order if should be withdrawn. These men are trying to secure the benefit of Federal assistance to more easily maintain the public order for which they are responsible and at the same time place the responsibility on the President. The governor states to us in writing that he will not convene the legislature to consider call for troops nor will he take the necessary steps to form a State military, as is legally provided for, and that if the troops should be withdrawn he will do substantially nothing. In other words, the State authorities propose to do nothing, but wholly

rely on the Federal authorities. There has been substantial agreement by everybody who appeared before us that the number of violent or (criminal) men in the organization here is certainly less than 200. With a population of about 14,000 people there would seem to be no good reason why the civil authorities here can not take care of their own city. If should be withdrawn we strongly recommend that at least ten days' notice be given of such decision in order to give the sheriff time to prepare fully. We expect our work will be completed December 21, and we will leave here that day.

MURRAY, NEILL, SMITH.

(The President to Governor Sparks.)
[Telegram.]

THE WHITE HOUSE,
Washington, December 20, 1907.

HON. JOHN SPARKS,
Governor of Nevada, Goldfield, Nev.:

I have received no answer from you to my telegram of December 17, in which I said that unless there was forthwith further cause shown to justify keeping the troops at Goldfield I should direct their return to their former stations. I am informed by the three representatives of the Department of Commerce and Labor who are in Goldfield by my order that you have stated to them in writing that you will not convene the legislature to consider call for troops nor take the necessary steps to form a State military force. Their report further satisfies me that there is no disturbance threatened which the government of Nevada ought not to be able to control if it starts to work with a serious purpose to do so, but that no effort is being made by the government of Nevada to take the steps necessary in the matter. I stand ready to see that the National Government does its full constitutional duty in the matter of preserving order, but this readiness on the part of the National Government does not excuse the State government for failure to perform its full duty in the first place. Federal aid should not be sought for by the State as a method of relieving itself from the performance of this duty, and the State should not be permitted to substitute the Government of the United States for the government of the State in the ordinary duties of maintaining order within the State. For the reasons given in this and my former telegram I have accordingly directed the troops to return to their former stations on Monday, December 30, next.

THEODORE ROOSEVELT.

(Governor Sparks to the President.)
[Telegram.]

RENO, NEV., December 22, 1907.

THEODORE ROOSEVELT,
President of the United States, Washington, D. C.:

I am preparing a letter to give you more information about the situation at Goldfield. The presence of the troops have prevented destruction of life and property. If you suggest, I would like to consult with you in person at Washington, as I believe I could be of more service to our State by explaining the situation in person than by writing. We are thankful to you for the presence of the troops, let their stay be long or short.

J. SPARKS, Governor.

(The President to Governor Sparks.)
[Telegram.]

THE WHITE HOUSE,
December 23, 1907.

HON. J. SPARKS,
Governor of Nevada, Reno, Nev.:

I will await your letter and wire you after its receipt whether in my judgment it would serve a useful purpose for you to come to Washington.

THEODORE ROOSEVELT.

(Governor Sparks to the President.)
[Telegram.]

CARSON, NEV., December 26, 1907.

THE PRESIDENT, Washington:

As chief magistrate of the State of Nevada, I have been of the opinion for the past year that a condition bordering on domestic violence and insurrection has existed in the Goldfield mining district. There has been an almost constant state of war between the miners' union and the mine owners, who employ the members of the union. During the year 1907 practically one-fourth of the time was occupied in actual strikes, and several months in agitations about other strikes. Without considering the merit of any of the controversies, it is only necessary to state that the entire district became divided into two hostile camps—on the one hand the miners, with their adherents and sympathizers, and on the other hand the mine owners, with their adherents and sympathizers. The union alone claimed a membership of 3,000, and fully one-half of the membership were constantly armed. Arms and ammunition were purchased and kept by the union as a body. On the other hand the mine owners had in their employ a large number of watchmen and guards, who were constantly armed and on duty. In addition to these forces were an unusually large number of the criminal element attracted to the new and booming mining camp. Under such conditions the civil authorities were practically powerless. They could attend to the ordinary petty offenders from day to day, but at the first conflict between the real armies of labor and capital they would have been swept away.

The repeated strikes and continued threats of other strikes irritated the mine owners more and more. It was clear to me, therefore, that when the last strike was called in the midst of the financial crisis spreading over the country, and with a long winter facing the 20,000 people situated upon the desert, hundreds of miles from any centers of population, that it was time to recognize the actual condition of affairs and to act accordingly. A state of domestic violence and insurrection arises, in my judgment, when armed bodies are in existence with sufficient power to overcome the civil authorities, and continual threats were made of the destruction of life and property. This condition has existed in the Goldfield mining districts the past year and exists there now. It calls for the presence of the troops to keep the peace. As this condition has been of slow growth it will take time to remove it. In my judgment, it is necessary that troops be kept at Goldfield an indefinite period of time. They should

remain there until both sides are shown that the district is not to remain an armed camp and a scene of continual warfare. The communist and anarchist must seek new fields; the laboring man be convinced that arbitration and peaceful methods are more certain and lasting methods of improving his condition than by dynamite and the shotgun. This can only come about with time, and for the present and some time in the future the strong arm of the military must be in evidence to convince all that no other method will be tolerated. It is known as a matter of legislative history that I recommended a measure at the last session having for its object the establishment of a State constabulary along the lines of the Texas Rangers, which was rejected by that body, the members thereof still being in office. The assembly of that session, with the vote of all but one, passed a resolution denouncing the injustice done Moyer, Haywood, and Pettibone, by the denial of a speedy trial. The resolution, however, was tabled by the senate. It is a matter of only a few weeks since I called for the opinions of different representatives and individual citizens of the State generally as to the advisability of convening a special session to act upon a then existing emergency, which, however, did not relate to the present situation. The expressions received at that time indicated that 95 per cent of the people were opposed to such an extra session. For geographical reasons and on account of the customary ten days' notice to members, it would be impossible to convene and organize a special session of the legislature in less than three weeks, presuming on the most expeditious action on the part of the members. For these reasons I deem it impossible to convene the legislature in special session to meet the present emergency, and still think it highly inadvisable.

This telegram was in course of preparation on the 7th instant, in reply to your telegram of that date, but I was taken ill and have only just returned to my office. I am now sending it in lieu of a letter which I wired you was in course of preparation. The delay was not intentional on my part and no discourtesy meant thereby.

JOHN SPARKS, Governor.

(The Secretary of State to Senator NEWLANDS.)

DECEMBER 27, 1907.

DEAR SENATOR NEWLANDS: I inclose a copy of Governor Sparks's telegram of yesterday to the President regarding the conditions existing in the Goldfield mining district and the situation in Nevada generally. Faithfully, yours,

ELIHU ROOT.

HON. FRANCIS G. NEWLANDS,
United States Senate.

(Inclosure as above.)

(The Secretary of State to Mr. Loeb.)

DECEMBER 27, 1907.

DEAR MR. LOEB: I inclose a draft of a telegram which has been agreed upon in conference this morning between Secretary Taft, General Oliver, yourself, and myself as a suitable answer for the President to make to the telegram of December 26 from the governor of Nevada. Yours, very truly,

ELIHU ROOT.

WILLIAM LOEB, JR.,
Secretary to the President, The White House.

(Inclosure as above.)

(Mr. Loeb to the Secretary of State.)

DECEMBER 28, 1907.

MY DEAR MR. SECRETARY: I send you herewith two copies of the President's telegram of to-day to Governor Sparks, which contains certain modifications of the draft approved by Secretary Taft and you.

The President has wired me to notify Messrs. Murray, Smith, and Neill to meet him at the White House at 9 o'clock Monday evening, and he requests me to ask you if you can come to the White House at the same time. Will you let me know as to this?

Very truly, yours,

WM. LOEB, JR.,
Secretary to the President.

HON. ELIHU ROOT,
Secretary of State.

(Inclosures.)

(The President to Governor Sparks.)

[Telegram.]

THE WHITE HOUSE, December 28, 1907.

HON. JOHN SPARKS,
Governor, Carson City, Nev.:

Your telegram December 26 is received. It, in effect, declares that you have failed to call the legislature together because, in your judgment, the legislature would not call upon the Government of the United States for the use of troops, although, in your opinion, it ought to do so. The Constitution of the United States imposes, not upon you, but upon the legislature, if it can be convened, the duty of calling upon the Government of the United States to protect the State of Nevada against domestic violence. You now request me to use the armed forces of the United States in violation of the Constitution because, in your judgment, the legislature would fail to perform its duty under the Constitution. The State government certainly does not appear to have made any serious effort to do its duty by the effective enforcement of its police functions. I repeat again what I have already said to you several times—that under the circumstances now existing in the State of Nevada as made known to me, an application from the legislature of the State is an essential condition to the indefinite continuance of the troops at Goldfield. Circumstances may change, and if they do I will take whatever action the needs of the situation require so far as my constitutional powers permit. But the first need is that the State authorities should do their duty, and the first step toward this is the assembling of the legislature. It is apparent from your telegram that the legislature of Nevada can readily be convened. You have fixed the period of three weeks as the time necessary to convene and organize a special session. If within five days from the receipt of this telegram you shall have issued the necessary notice to convene the legislature of Nevada, I shall continue the station of the troops at Goldfield during such period of three weeks. If within the term of five days such notice has not been issued, the troops will be immediately returned to their former stations.

THEODORE ROOSEVELT.

(Governor Sparks to the President.)

[Telegram.]

RENO, NEV., December 29, 1907.

HON. THEODORE ROOSEVELT,
President of the United States:

I am now preparing proclamation for extra session of Nevada legislature. Will forward same to you when complete. Many thanks for your message.

JOHN SPARKS, Governor.

(The Secretary of State to Senator NEWLANDS.)

DEPARTMENT OF STATE,
Washington, December 30, 1907.

MY DEAR SENATOR: I sent you a copy of the President's dispatch to the governor of Nevada of this date, and also a copy of my dispatch of November 14.

Faithfully, yours,

ELIHU ROOT.

HON. F. G. NEWLANDS,
United States Senate.

(Inclosures as above.)

(Governor Sparks to the President.)

[Telegram.]

CARSON, NEV., December 30, 1907.

The PRESIDENT, Washington:

Copy of proclamation calling special session of the legislature to convene January 14 mailed you to-day. Will rush matters to adjustment as rapidly as possible.

JOHN SPARKS, Governor.

(Proclamation by Governor of Nevada.)

STATE OF NEVADA—PROCLAMATION BY THE GOVERNOR.

To the honorable members of the twenty-third session of the legislature of the State of Nevada.

GENTLEMEN: The constitution of this State, Article V, Section IX, provides that "the governor may, on extraordinary occasions, convene the legislature by proclamation, and shall state to both houses, when organized, the purpose for which they have been convened, and the legislature shall transact no legislative business except that for which they were specially convened, or such other legislative business as the governor may call to the attention of the legislature while in session."

Believing that an extraordinary occasion now exists and one which the legislature, being a coordinate branch of the State government, is best prepared to solve, it becomes my duty, by proclamation, to convene the legislature at Carson City, Nev., on the 14th day of January, A. D. 1908.

This request has been made by many citizens, the object being to adjust by legislation, if possible, the controversy existing between the miners and mine owners at Goldfield, this State. Such legislation should be general in character and impartially applicable for the restoration and preservation of law and order.

Under the constitution, as above cited, the governor shall state to both houses, when organized, the purpose for which they have been convened. When that time arrives, I will endeavor to outline to you the necessary legislation required, and will give hearty cooperation in the attempt to secure to every citizen of Nevada their just rights freely to be exercised under the law.

In witness whereof I have hereunto set my hand and caused the great seal of State to be affixed. Done at Carson City, State of Nevada, this 30th day of December, A. D. 1907.

[SEAL.]

Attest:

W. G. DOUGLASS,
Secretary of State.

JOHN W. SPARKS, Governor.

(The President to Governor Sparks.)

WASHINGTON, January 4, 1908.

SIR: I have received the copy of your proclamation, dated December 30, 1907, summoning the legislature. As I have notified you, the troops will stay for three weeks from the date of this call, so that the legislature can meet and opportunity be given the State authorities to take efficient action for the preservation of the public peace in the exercise of the police powers of the State. I call your special attention to the telegram sent to you on December 14 by the Secretary of State. This sets out what must be shown as a matter of actual fact to exist in order to warrant the President in acting on the request of the State authorities. The action must be either to suppress an insurrection which the State authorities are unable to suppress, or to secure to some portion or class of the people of the State the equal protection of the laws to which they are entitled under the Constitution of the United States, and which is denied them. Action under this or any other section requires the production of evidence sufficient to sustain a judgment by the President that the condition described in the statute exists. A mere statement of domestic disturbance, still less a mere statement of apprehension of domestic disturbance, is not sufficient, even though it comes from as high and unimpeachable a source as the governor of a State. Such communication from the governor or from the legislature warrants the President in taking immediate steps to put himself in readiness to act, in view of the probability of conditions arising which will require his action. I accordingly sent the troops to Nevada on your request, and I have now directed that they be kept there pending the assembling of the legislature. Meanwhile, I sent out Assistant Secretary of Commerce and Labor Lawrence O. Murray, Commissioner of Corporations Herbert Knox Smith, and Commissioner of Labor Charles P. Neill to investigate and report to me the actual condition of affairs in Goldfield. I have just received a report from these three gentlemen, which sets forth in the most emphatic language their belief, after a careful investigation on the ground, that there was no warrant whatever for calling upon the President for troops, and that the troops should not be kept indefinitely at Goldfield. The report further states that there was no insurrection against the power of the State at the time the troops were called for, that nobody supposed that there was such an insurrection, and that none of the conditions described in section 5297-5299 of the Revised Statutes as warranting interference by the Federal Government existed, and that the effort was and is plainly an effort by the State of Nevada to secure the performance by the United States of the ordinary police duties which should, as a matter of course, be performed by Nevada herself. The report further says:

"There is absolutely no question that if the State of Nevada and the county of Esmeralda exercised the powers at their disposal they

can maintain satisfactory order in Goldfield; that so far these authorities have done nothing, but are relying upon Federal aid, and their attitude now is expressly that of refusing to do anything and desiring to throw their own burdens upon the Federal Government for the maintenance of those elementary conditions of order for which they, and they only, are responsible.

The signers of the report express their conviction that the troops should remain in Nevada until the assembling of the legislature, so as to preserve the status quo in order that the legislature may deal with the situation as it exists; but that shortly thereafter the troops should be removed.

I agree with the recommendations of this report, of which I inclose a copy, and shall act accordingly. Unless it can be shown that the statements of the report are not in accordance with the facts, it will be incumbent upon the legislature of Nevada, when it convenes, itself to provide for enforcing the laws of the State. The State of Nevada must itself make a resolute effort in good faith to perform the police duties incident to the existence of a State.

Sincerely, yours,

THEODORE ROOSEVELT.

Hon. JOHN SPARKS,

Governor of Nevada, Carson City, Nev.

(Report of Messrs. Murray, Neill, and Smith to the President.)

DECEMBER 30, 1907.

SIR: On December 11, 1907, you issued to us the following instructions:

"You are hereby directed to proceed immediately to Goldfield, Nev., and make an investigation at that place into the conditions existing there at this time, and you will, on your return to Washington, submit a report to me personally.

"All Federal officials, both civil and military, are hereby directed to render you any assistance that you may need and to give you access to any information, papers, or documents that they may have bearing on the situation."

In accordance therewith we left Washington on the afternoon of December 11, arriving at Goldfield Nev. in the evening of the 15th, and proceeded at once to make the investigation directed. We gave our entire time to this object, continuing hearings and interviews every day and usually until midnight, with the help of one, and later two, stenographers, until the morning of December 21, when we left Goldfield and returned to Washington.

Immediately upon our arrival in Goldfield we conferred with General Funston, who had been investigating the situation there for several days previous to our arrival and who remained for some days and assisted us in every way in our work. We next discussed the situation fully with the governor of the State, who was at Goldfield, and then met a committee from the miners' union and the executive committee of the Goldfield Mine Operators' Association. We thus obtained at the outset a comprehensive preliminary survey of the general situation.

The Mine Operators' Association, through their counsel, then presented to us a general statement of their side of the case, and, as they were the persons primarily desiring the coming and the retention of the troops, we informed them that we would regard this written statement as analogous to the plaintiff's complaint in a court action, and that we would at once call upon them to make out their case, and lay upon them the responsibility of producing as rapidly as possible the evidence therein, reserving to ourselves, of course, the right to hear thereafter evidence on the other side. They agreed to this procedure, which seemed to be the most practical way of handling the matter, and for several days brought before us numerous witnesses, documents, and other evidence intended to substantiate the allegations of their so-called "complaint" and demonstrate the need for Federal troops. Their counsel was informed that our primary object was to secure information bearing on the question as to what justification existed for the call for Federal troops and for their continuance at Goldfield, and, after several days of hearings, on December 20 he assured us that he had produced substantially the best evidence on his side of the case, that anything more he might bring would be simply cumulative, and, in substance, that he rested his case on what he had presented.

Inasmuch as we were by this time satisfied that the mine operators had not in any particular established a case justifying either the bringing or the retention of the troops, we did not deem it necessary to take any extensive evidence on the other side, and the hearing was substantially closed with a brief formal interview with the said committee from the miners' union.

THE QUESTION BEFORE THE COMMISSION.

The Federal troops had been sent to Goldfield on the request of the governor of Nevada, dated December 5, 1907, and we made it, therefore, the primary object of our work to ascertain, first, whether the state of facts existing in Goldfield prior to and at the arrival of the troops corresponded with the allegations of said request of the governor of Nevada, and gave sufficient ground for the sending of the troops, and, second, whether the conditions existing at Goldfield upon the arrival of the troops and up to and during the time of our stay there afforded a sufficient basis for their retention at that point, and if so, for what period they should be retained.

Incidentally, we necessarily informed ourselves briefly as to the merits of the industrial controversy there existing, but only so far as the same had some bearing on the question of law and order and the presence of the Federal troops. Any complete or satisfactory examination into the general merits of the industrial dispute would have covered many weeks and would have been impossible for us to make, having as we did no power to administer oaths or compel the attendance of witnesses or the production of evidence.

Inasmuch as the troops are still in Goldfield and the question of their retention there is an important issue, we deem it proper to submit to you herewith a report bearing on this question, and we therefore direct our findings in this report to a consideration of those facts which are relevant to this question in view of the requirements of section 4 of Article IV of the Constitution, sections 5297, 5298, and 5299 of the Revised Statutes, and the act of June 18, 1878, and to a consideration of the question as to what facts existed at Goldfield before and since the arrival of the troops to constitute the grounds of action described by the said article of the Constitution and the said statutory sections.

(Section 5299, Revised Statutes.)

INSURRECTION AGAINST THE GOVERNMENT OF THE UNITED STATES.

Whenever, by reason of unlawful obstructions, combinations, or assemblages of persons, or rebellion against the authority of the Government of the United States, it shall become impracticable, in the judg-

ment of the President, to enforce, by the ordinary course of judicial proceedings, the laws of the United States within any State or Territory, it shall be lawful for the President to call forth the militia of any or all the States, and to employ such parts of the land and naval forces of the United States as he may deem necessary to enforce the faithful execution of the laws of the United States, or to suppress such rebellion, in whatever State or Territory thereof the laws of the United States may be forcibly opposed, or the execution thereof forcibly obstructed.

(Section 5299, Revised Statutes.)

POWER TO SUPPRESS INSURRECTION IN VIOLATION OF CIVIL RIGHTS.

Whenever insurrection, domestic violence, unlawful combinations, or conspiracies in any State so obstructs or hinders the execution of the laws thereof, and of the United States, as to deprive any portion or class of the people of such State of any of the rights, privileges, or immunities, or protection, named in the Constitution and secured by the laws for the protection of such rights, privileges, or immunities, and the constituted authorities of such State are unable to protect, or, from any cause, fail in or refuse protection of the people in such rights, such facts shall be deemed a denial by such State of the equal protection of the laws to which they are entitled under the Constitution of the United States; and in all such cases, or whenever any such insurrection, violence, unlawful combination, or conspiracy, opposes or obstructs the laws of the United States, or the due execution thereof, or impedes or obstructs the due course of justice under the same, it shall be lawful for the President, and it shall be his duty, to take such measures, by the employment of the militia or the land and naval forces of the United States, or of either, or by other means, as he may deem necessary, for the suppression of such insurrection, domestic violence, or combinations.

Revised Statute 5298 deals only with insurrections against the Government of the United States; Revised Statute 5299 deals only with violation of rights, privileges, immunities, or protection secured by the Constitution of the United States. These two sections may be therefore dismissed from consideration with the simple statement that there is absolutely no evidence showing the existence of any insurrection against the Government of the United States or the violation of any Federal rights.

Section 4, Article IV, of the Constitution provides as follows:

"The United States shall guarantee to every State in this Union a republican form of Government, shall protect each of them against invasion; and on application of the legislature, or of the executive (when the legislature can not be convened) against domestic violence."

Section 5297, Revised Statutes, based on the above constitutional provision, is as follows:

"In case of an insurrection in any State against the government thereof, it shall be lawful for the President, on application of the legislature of such State, or of the executive, when the legislature can not be convened, to call forth such number of the militia of any other State or States, which may be applied for, as he deems sufficient to suppress such insurrection; or, on like application, to employ, for the same purposes, such part of the land or naval forces of the United States as he deems necessary."

Act June 18, 1878, chapter 262, section 15:

"From and after the passage of this act it shall not be lawful to employ any part of the Army of the United States, as a posse comitatus, or otherwise, for the purpose of executing the laws, except in such cases and under such circumstances as such employment of said force may be expressly authorized by the Constitution or by act of Congress; and no money appropriated by this act shall be used to pay any of the expenses incurred in the employment of any troops in violation of this section; and any person willfully violating the provisions of this section shall be deemed guilty of a misdemeanor and on conviction thereof shall be punished by fine not exceeding \$10,000 or imprisonment not exceeding two years or by both such fine and imprisonment."

The said constitutional section and the said statute based thereon, together with said act of June 18, 1878, being clearly the only provisions of law possibly applicable in the premises, we took them as a guide for our investigation into the facts existing at Goldfield. It is true that the call of the governor of Nevada of December 5 was apparently based upon and followed largely the wording of section 5299, probably under a misapprehension of the force of that section. The attorney-general of the State informed us that he had been consulted in the preparation of the call and that it had been based upon section 5299. The governor stated in that call, however, that certain facts existed, which facts, if sufficiently verified, and if broad enough in their scope and important enough in their bearings, might conceivably furnish sufficient grounds for Federal action under section 5297, Revised Statutes, and although, as above set forth, it was obvious that the governor in framing the said request had before him especially section 5299, which was wholly inapplicable, nevertheless it was of course necessary to look rather at the substance than at the form of the request and to ascertain whether the facts so stated formed a basis of action under section 5297, Revised Statutes. The request of the governor was as follows:

UNITED STATES OF AMERICA,

State of Nevada, ss.

To His Excellency Theodore Roosevelt, President of the United States, from Hon. John Sparks, Governor of the State of Nevada:

At Goldfield, Esmeralda County, State of Nevada, there does now exist domestic violence and unlawful combination and conspiracies, which do now so obstruct, and continue to obstruct and hinder, the execution of the laws of the State of Nevada, and now deprive, and continue to deprive, the people of said section of the State of the rights, privileges, immunities, and protection named in the Constitution of the United States, and of the State of Nevada, and which are secured by the laws for the protection of such rights, privileges, and immunities; and the constituted authorities of the State of Nevada are now, and continue to be, unable to protect the people in such rights; and the reason of such inability and the particulars thereof are the following, to wit:

Unlawful dynamiting of property; commission of felonies; threats against the lives and property of law-abiding citizens; the unlawful possession of arms and ammunition and the confiscation of dynamite, with threats of the unlawful use of the same by preconcerted action.

The lawfully constituted authorities of this State are unable to apprehend and punish the perpetrators of said crimes, and to prevent the commission of other threatened crimes, and unless the relief herein-after requested is granted, this State, and the lives and property of a large number of its people, will be irreparably affected and damaged, contrary to the peace and dignity of the United States and of the State of Nevada.

Therefore, pursuant to article 4, section 4, of the Constitution of the United States, and to sections 5207 and 5299 of the Revised Statutes thereof, I, John Sparks, governor, do hereby respectfully request that Your Excellency Theodore Roosevelt, President, do immediately send to Goldfield, Esmeralda County, Nev., two companies of the troops of the Army of the United States, to suppress unlawful disorder and violence, to protect life and property, to restore peace, and to insure protection of law to the people of the State of Nevada.

In witness whereof I have hereunto set my hand and caused the great seal of the State to be affixed, at the capitol, Carson City, Nev., on this 5th day of December, A. D. 1907.

[Great seal of State.] JOHN SPARKS, Governor.

While the first part contains a number of allegations, they are general and formal in nature. The specific statements of fact contained in the call appear in the second paragraph.

FACTS AS TO SITUATION IN GOLDFIELD.

With these legal considerations in view, our findings are as follows:

There has existed at Goldfield, which is exclusively a mining town of an estimated population of between 15,000 and 20,000 in South Nevada, for over a year past, and especially since the spring of 1907, a disturbed industrial situation, due to frequently recurring labor difficulties between the mine operators on the one hand and the miners on the other. The two sides were represented almost completely by the Goldfield Mine Operators' Association, including almost all the owners, operators, or lessees of mines on the one hand, and by the local union of the Western Federation of Miners on the other, a union comprising substantially all the miners in Goldfield. This union, known as Goldfield Miners' Union, No. 220, is a branch of the general organization known as the Western Federation of Miners. It has carried on its rolls a membership estimated at above 3,000 men, which number, however, included members of crafts in Goldfield other than workers in and about mines. Figures furnished us by the mine operators showed that about 1,900 mine workers went on strike on November 27, 1907. Although a number of strikes and minor difficulties had occurred during 1907, the only acute situation arising prior to the call for troops existed in the spring of 1907. This controversy involved not only a dispute between the mine owners and the miners at Goldfield, but also between members of the miners' union and the members of other crafts in Goldfield affiliated with the American Federation of Labor. The Goldfield Miners' Union was also affiliated with the organization known as the Industrial Workers of the World, and an effort was made to force members of other crafts not affiliated with this organization to join its ranks. Not only the Mine Owners' Association and members of the miners' union went armed, but members of crafts not affiliated with the Industrial Workers of the World felt it necessary to carry arms to protect themselves while at their work. The condition of Goldfield at that time was that of an armed camp, and for a time a serious clash seemed imminent. The controversy resulted in a murder of a restaurant keeper and aroused such opposition against the Industrial Workers of the World that a ban was practically put upon them and the organization under that name was forced to abandon Goldfield. This acute situation disappeared before the end of the spring of 1907.

A succession of miners' strikes, however, had taken place throughout 1907, some of them with apparently little justification, and although the operators had yielded to nearly all the demands of the union, it seemed impossible to secure any settled industrial conditions. The mine operators insist that the socialistic doctrine adopted and preached by the Western Federation of Miners practically justified the stealing of ore by the miner. Some of the mines at Goldfield are among the richest in the world. They maintain, and of this there is little doubt, that this phenomenally rich ore is daily stolen to the amount of many hundreds of dollars by some of the miners, and that the representatives of the union have resisted and attempted to nullify reasonable attempts on the part of the mine owners to protect themselves against these thefts by "change rooms," or otherwise.

The industrial situation was further aggravated by the fact that the Goldfield union would not enter into any contract governing working conditions for any specified length of time, and the mine operators therefore could have no assurance at any time that any settlement of a dispute was more than a temporary makeshift, nor could they secure any assurance of stable industrial conditions for any fixed length of time.

Moreover, the Goldfield Miners' Union embraces in one single union not only the various crafts working in and about the mines, but also clerks, waiters, bartenders, and other miscellaneous crafts and avocations in Goldfield.

On November 27, 1907, a strike of the miners was inaugurated and is still in effect. This strike grew out of a refusal on the part of the miners to accept cashiers' checks in payment of their wages. The miners insisted upon some form of guaranty by the mine operators of whatever paper was accepted in lieu of cash. Various propositions were made, but no basis of agreement was reached.

The merits of this controversy are not of importance here, as we are concerned solely with the question of whether or not conditions warranted the calling for Federal troops. The mine operators insist that the attitude of the miners in refusing to accept cashiers' checks in payment of wages in the then acute currency condition of the country was unjustifiable, and that this as a culmination to their past experience exhausted their patience and definitely determined them to make a final break with the Western Federation of Miners and establish their permanent independence of that organization. The miners contend that their demand for a guaranty of the scrip of the mine operators was entirely proper and just, and that the mine operators sought a strike as a means to secure Federal troops, and then reduce wages and destroy the union in Goldfield.

The action of the mine operators warrants the belief that they had determined upon a reduction in wages and the refusal of employment to members of the Western Federation of Miners, but that they feared to take this course of action unless they had the protection of Federal troops, and that they accordingly laid a plan to secure such troops, and then put their programme into effect.

A committee of the mine operators went to see the governor on December 2, and urged upon him the necessity of calling for the Federal troops to preserve peace and order in Goldfield. An agreement seems to have been reached that if conditions continued as they then were that the governor would issue such call, and the committee returned after having agreed with the governor upon a code word which should be sent by telegraph to indicate the necessity for troops still existed.

Some days later the agreed-upon word was telegraphed to the governor, and he thereupon issued his call upon the President for troops.

During this time, when conditions at Goldfield were represented to be in such lawless state as to demand Federal troops, there was apparently no discussion of the subject whatever carried on outside of the Mine Operators' Association. No indication was permitted to become public as to the real purpose of the call of the committee on the governor.

The papers published the fact of the presence of the committee from Goldfield at Reno, and stated the purpose of its visit to be the selection of a site for a smelter. After the agreement with the governor, and pending the sending of the telegraphic word agreed upon, no public intimation was given in Goldfield that troops had been asked for or were expected. Neither the county commissioners, the sheriff, nor the district attorney were consulted, nor had any one of them even a suspicion of the action which had been taken. The first news that the city had that it was in a condition of lawlessness and disorder, requiring the intervention of the Federal Government, was when dispatches appeared in the papers that the troops had been called for and were then on their way to Goldfield. When the fact was ascertained positively that the troops were actually on their way to Goldfield, a formal protest was telegraphed to the governor by most of the county officers.

The troops arrived in Goldfield on December 6. On December 7 the Goldfield Mine Operators' Association issued a public statement in which, among other things, they said, "We propose to adopt fair and reasonable rules for the operation of our properties and employ men irrespective of whether they belong to unions." The rules and regulations adopted, in pursuance of this statement, made a general reduction in their wage scale, amounting, in the case of miners, from \$5 to \$4 per day, and also provided that the said association would not employ any man belonging to Goldfield Miners' Union, No. 220, of the Western Federation of Miners, or any other union in Goldfield or elsewhere that is connected or affiliated with the Western Federation of Miners, and, in pursuance of this provision, stated that—

"Each employee of a member of this association shall, as a condition of employment, be required to sign the following agreement:

"In consideration of my being employed by the _____ company for such time as my services shall be satisfactory and at the wages heretofore fixed by said company, subject to the rules and regulations fixed by said company and by the Goldfield Mine Operators' Association relating to the employment of men in and around mines of Goldfield mining district, I hereby covenant and agree with said company that I am not now, and will not be during the time I am working for said company, a member of Goldfield Miners' Union, No. 220, of the Western Federation of Miners, or of any other union in Goldfield or elsewhere that is directly or indirectly affiliated with or has any connection of any kind, nature, or description with said The Western Federation of Miners.

"Witness my hand and seal at Goldfield, Esmeralda County, Nev., this _____ day of _____, 190—."

While this cut in wages and refusal to employ members of the Western Federation of Miners was not announced until after the arrival of troops, every indication confirms the belief that such action was in contemplation before the arrival of troops, was part of the general plan of the mine operators to establish their independence of the union, and that the coming of the troops was expected and urged by them to make such plan feasible.

We find that from the spring of 1907 to the date of the arrival of the troops there were no conditions of especial violence or disorder in Goldfield, or particular reasons why such disorder was likely to occur. Apart from the question of the personnel of the miners' union—a matter that will be discussed later—the situation was normal. The town had been for at least six months previous fully as free from disturbances as any mining town of similar situation and conditions. There had been no organized opposition to law. The number of homicides during the two years prior to the coming of the troops, as stated by the county officials, did not exceed a half a dozen, and several of these had no relation to any labor difficulties. There was evidence that in the past two years a number of so-called "deportations" had taken place; that is, men had been driven out by union sympathizers either by threats or by actual violence, but probably the total number so forced out of town did not exceed twenty-five in two years. There were made before us, it is true, several statements of very much larger number, going as high as 700, but when all the witnesses had been asked to give names and facts in specific cases the number of such cases brought to our attention did not exceed twenty. Moreover, numbers of these deportations were not in furtherance of any organized plan to drive out nonunion men. They represented the paying off of old scores due to former troubles in Cripple Creek and the Coeur d'Alenes.

There was no evidence of the unlawful use of dynamite, with the one exception that it was shown that one of the poles of the electric power company's plant had been bored and dynamite cartridges inserted and lighted (which, however, failed to explode), and that a large number of other cartridges had been left at the base of the pole. No actual damage was done. This occurred shortly before the arrival of the troops. It is alleged by the miners' union that this had been done by the mine operators themselves in order to produce the appearance of violence, and while we express no opinion as to who placed the dynamite there, it must be admitted that the circumstances in the case and the clumsy way in which the work was done at least raises a reasonable doubt as to the genuineness of the attempt. We find that there were at the time of the troops' arrival a considerable number of rifles in the possession of each party; that a large number of men in the town were carrying pistols, but probably not in much greater proportion than is true of most mining towns of this character. In short, up to the time the troops arrived, and for six months prior thereto, there had been no unusual conditions of violence or disorder or any such conditions as would in any way justify the presence of the Federal troops or their retention there. The conditions did not support the general allegations in the governor's request for troops, nor were his specific statements established to any such extent as to justify his use of these statements for the purpose of getting Federal troops.

The great bulk of the testimony submitted by the mine operators set forth facts which tended to show, not the existence of actual serious disorder in the past or in the present, but the possibilities of future disorders should the troops be withdrawn. It was this potential situation that was obviously in the minds of most of the men who appeared before us on behalf of the retention of the troops. Many men of almost all classes, whose assertions we believe to have been perfectly sincere, stated earnestly that they believed that should the troops be withdrawn there would very shortly arise a condition of serious disorder and violence, loss of life and damage to property, taking the shape of a direct conflict between the miners' union and the mine operators. Inasmuch as the situation, as above stated, had remained

substantially unchanged for the six months prior to the coming of the troops, during which time practically no one believed in the probability of an insurrection or serious disorder, and inasmuch as on December 5 the so-called "insurrection" was unknown to the community and the coming of the troops a complete surprise, it was obvious that some new factors must have entered the situation very recently in order to produce these honest opinions as to future disorder.

We find that such new factors did enter, but after the troops arrived, and that they consisted of the announced determination aforesaid on the part of the mine operators, on December 7, to reduce wages and to refuse employment to members of the Western Federation; that this programme, if carried out, meant a struggle for its existence on the part of the union, and that these witnesses naturally felt that this struggle would, on the withdrawal of the troops, take the form of serious disorder. This explains to our minds the acuteness of the new situation that arose, and the fears of many of those who appeared before us, and the desire expressed by so many that the troops should be retained.

Probably the most disturbing of the new factors was the refusal by the operators to employ members of the Western Federation, as above set forth, and this particular requirement, in our own opinion, was on its face contrary to the statute of Nevada, as follows:

"CHAP. CXI. An Act making it unlawful for employers to enter into agreements with their employees or persons about to enter their employment not to become or continue as members of labor organizations and prescribing penalties for violation thereof. (Approved March 17, 1903.)

"The people of the State of Nevada, represented in senate and assembly, do enact as follows:

"SECTION 1. It shall be unlawful for any person, firm, or corporation to make or enter into any agreement, either oral or in writing, by the terms of which any employee of such person, firm, or corporation, or any person about to enter the employ of such person, firm, or corporation, as a condition for continuing or obtaining such employment, shall promise or agree not to become or continue a member of a labor organization, or shall promise or agree to become or continue a member of a labor organization.

"SEC. 2. Any person or persons, firm or firms, corporation or corporations violating the provisions of section 1 of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in a sum not less than \$50 or more than \$300, or be imprisoned in the county jail for a period of not less than twenty-five days or more than five months, or both such fine and imprisonment.

"SEC. 3. All acts or parts of acts in conflict with the above are hereby repealed."

The constitutionality of this statute, as well as its application, was questioned by the mine operators, but, of course, until it has been declared unconstitutional by judicial decision it must be regarded as the law of that State.

The question as to possible future violence and disorder on the withdrawal of the troops we find to depend largely on the personnel of the miners' union, and their leaders in particular. A number of these leaders are represented to be men of radical socialistic beliefs and in favor of forcibly asserting what they hold to be their rights. Goldfield, being one of the newest and richest gold-mining camps of the West, attracted many of the most adventurous and radical characters in the miners' union, and while many of these have recently left, it is believed that there remain a considerable number of men whose records in other mining camps presage ill for the future of law and order in Goldfield if Federal troops are withdrawn.

It was strongly urged that the experience of other mining camps with the Western Federation of Miners gave good grounds for the belief that should the mine operators insist on maintaining their position, as above stated, serious disorder would be likely to ensue immediately upon the withdrawal of the troops. All this, however, is purely a matter of future possibilities and not of actual present or past disorders in Goldfield. From the almost unanimous consensus of opinion of all witnesses we are satisfied that in the entire miners' union of Goldfield there are not over a few hundred men of a dangerous type—men who would readily resort to violence to accomplish their ends. The great majority, probably over three-fourths of the union, while loyal to their organization, were conceded to be men of law-abiding tendency, who would not willingly initiate or support deliberate violence. But there is likewise little doubt but that this large proportion of orderly men have in the past permitted themselves and their organization to be dominated and controlled in its public actions by vicious leaders, and have lacked either the coherence or the courage to suppress this element and conduct the affairs of their organization in a way to command public respect and confidence. In the early part of the present year the miners' union of Goldfield permitted a celebration to be held by the union and a procession under its auspices to march through the streets of that city carrying the red flag of anarchy as a sole emblem and bearing aloft legends and mottoes of an incendiary character. It is claimed that but a small proportion of the miners' union took part in the procession, but it had received the official sanction of the union, and, so far as is publicly known, was never repudiated by that body. Their personal good character can not excuse members of the Goldfield union for permitting their leaders to outrage decent sentiment, and can not save the organization to which they belong from bearing the reputation it has earned. By permitting their organization to be managed and controlled by men of violent tendencies, the union as a body has thus laid itself open to the reproach of being a vicious organization, and has furnished a foundation for the fear existing in Goldfield that it will support violence and disorder to win its present strike.

In view of the foregoing facts, we believe there is considerable danger that serious disorders will be attempted if the troops be withdrawn and the mine operators insist on carrying out their publicly announced policy. But if a handful of men have controlled the Goldfield Miners' Union and committed the organization to indefensible policies and practices, it is no reason why the county of Esmeralda and the State of Nevada should tamely submit to the domination of this same group and should not assert their authority and power and enforce respect for law and order without support of Federal troops.

ATTITUDE OF THE CIVIL AUTHORITIES.

The foregoing are the essential facts as to the elements of order and disorder existing in Goldfield. Taking up now the conditions relating to the civil authorities there:

Nevada has no State militia, its former force having been disbanded. The only force at the disposal of the governor consists of five State detectives, substantially all of whom are acting now as mine guards in Goldfield and in the pay of the mine operators, a force wholly inadequate to deal with any serious disorder. The governor informed us in

writing that he would not convene the legislature, and that he would not take any steps to organize a State militia under the State statutes; that in case the troops should be withdrawn he did not know what he would do, but so far as he could then see he would do nothing. The exact form of this statement was as follows:

INTERVIEW WITH GOVERNOR JOHN SPARKS, OF NEVADA, AT HOTEL CASEY, GOLDFIELD, NEV., DECEMBER 17, 1907.

Present: Messrs. Smith, Murray, and Neill.

Mr. SMITH. We want to get in permanent and definite shape your decisions on the questions we talked of this afternoon. First, whether you will or will not convene the legislature.—A. I do not think that I can consistently do it.

Q. So you decline to do that.—A. For the present; yes, sir.

Mr. SMITH. As to another matter, Governor, there was suggested the appointment of a militia here?—A. Yes.

Q. What is your view on that?—A. Well, it would take considerable time to organize that. You mean a State militia?

Q. Yes, sir.—A. Well, I should oppose that. I have opposed it all the way along. The very people I am trying to protect knew that the soldiers were here and backed me up on that. I believe a State militia at this time would be disgraceful to the State.

Q. What I refer to especially is an emergency militia, which was suggested this afternoon right in this town.—A. An emergency militia? If we had the right kind of an emergency militia it would operate all right; but I don't believe we could get that kind. That is one of the circumstances.

Q. So just what would be your action in case the troops are withdrawn?—A. Well, Mr. Smith, I have got to consider your proposition. I don't want to dodge any question you ask me, but at the present time I do not know what I would do. The chances are I would not do anything until these people here fought it out on common ground with one another. It seems they are prepared to do it. I don't want them to do it. I want to preserve peace, law, and order and protect the people more than property.

Mr. MURRAY. Governor, at the present time you do not feel justified, then, in having the legislature in extraordinary session nor to organize a State militia?—A. No, sir; I don't think it would be wise to do it. A State militia would not remedy the situation, in my judgment.

December 18, 1907.

This is a correct copy and statement.

JOHN SPARKS, Governor.

In brief, the attitude of the State was simply passive. The governor had in conference with him at the time his aid, Captain Cox, and the attorney-general, Mr. Stoddard, and after this interview, December 18, he left Goldfield and did not return during our stay.

We had conferences with the sheriff of the county, two of the three county commissioners, two of the assemblymen, and the district attorney, constituting all the representatives of the civil authorities of the county whose presence we could secure. Goldfield is not an incorporated city. There is a constable, but it appears, so far as we could ascertain, that since the removal of the county seat to Goldfield his powers have been largely superseded by those of the sheriff and that substantially the sheriff is the supreme and responsible peace officer of the county and the town. Our interview with these gentlemen was unsatisfactory in the extreme, lasting nearly ten hours continuously and until 10 o'clock of the night of December 19. We endeavored to get from them a statement, and especially from the sheriff, as to whether in their opinion the county officers could or could not maintain order in Goldfield should the troops be withdrawn. They each evaded this question to the utmost limit and in such a way that it was perfectly obvious that they did not dare to answer it directly, until at the end of our interview, when we finally secured from them all, as the most direct definite statement they would make in answer to our single question on this point, the following negation:

"Sheriff Ingalls, are you willing to say that if the troops are removed from here you can not maintain law and order in this town and protect life and property? Are you willing to say that?"

"No; I can not say that."

The same question was put to all the said county officers and the same answer was received. They all stated that they resented the call of troops by the governor; that their coming was unnecessary, but that now the troops were in Goldfield they wished that they might be kept there. They insisted that it was an insult to the citizens and officials of Goldfield to have brought in Federal troops to maintain order and that it conveyed an utterly false impression to the outside public, but they did not recognize that the continuance of the troops after their having once arrived was a daily repetition and accentuation of what they regarded as originally an insult. They would, however, absolutely accept no responsibility whatsoever for the retention of the troops, and, while desiring their presence in order to keep the peace for which these officials were themselves responsible, it was their clear intention to get the benefit thereof and at the same time throw the whole responsibility for the continued presence of the troops upon the President.

The county derives a large income from the bullion tax, and the county commissioners boasted to us of their ability to make extensive improvements and pay for them quickly. The sheriff has complete power to summon every able-bodied man in the community as a member of his posse for the purpose of keeping the peace.

We are satisfied that the county officials have full power and authority to keep the peace in that county; that there are many law-abiding citizens who could be employed by the sheriff in case of emergency, and who would make a completely effective force for the enforcement of order.

Thus not only the State, but the county authorities deliberately, and in writing, refused to assume any other than a passive attitude in this matter.

There is absolutely no question that if the State of Nevada and the county of Esmeralda exercise the powers at their disposal they can maintain satisfactory order in Goldfield; that so far these authorities have done nothing, but are relying upon Federal aid, and their attitude now is expressly that of refusing to do anything and desiring to throw their own burdens upon the Federal Government for the maintenance of those elementary conditions of order for which they, and they only, are responsible.

CONSIDERATION OF THE LEGAL PRINCIPLES APPLICABLE.

The entire foregoing states the facts in the situation, the powers of the several authorities of Nevada, and of the county and their attitude toward their own duty. We are satisfied that the findings that we have stated are correct, and that they are fully sufficient for the determination of the action of the Federal Government in this case.

Being especially cognizant of these facts, we believe it proper for us now to suggest their relation to the general principles of law and the Constitution which are applicable thereto. While the Constitution, section 4 of Article IV, and Revised Statutes, 5297, provide that in certain contingencies the Federal Government shall assist in maintaining order in a State, it is clear that such action must be strictly limited. (Such action is further limited by the act of June 18, 1878.) When a community assumes the condition of statehood as a member of the Union of the United States, and secures the great rights and privileges consequent thereupon, it also assumes certain great obligations and duties of which it can not divest itself, and if these duties are not performed, or if an honest, reasonable attempt be not made to perform them, the members of that community must suffer the consequences of such failure and can not be relieved therefrom by appealing to any other power. Desirable as it is that civil order be maintained, much as we may deprecate the loss of life and property which may yet occur at Goldfield, far greater evils would arise should these fundamental principles be set aside and any State be allowed to relieve itself of those elemental responsibilities which they have assumed by the mere fact of becoming a State. The Constitution does indeed provide that the United States shall protect the States against domestic violence, but the meaning of this provision has been well set forth in Revised Statutes, 5297, based thereon, which practically defines domestic violence for such purposes as insurrection. It is obvious that the domestic violence referred to must mean violence which a State can not control by reasonable exercise of the powers at its disposal. Any broader construction of this clause would mean that the State might at any time call upon the Federal Government for assistance in mere police duty, in the suppression of street brawls, and ordinary breaches of peace, such as occur constantly in every State of the Union, and might thus, through the connivance of the executive and the legislature of a given State, relieve that State of all of its responsibilities and expenses for the maintenance of ordinary daily order, throw the same upon the Federal Government, and relieve the State and every subdivision thereof of its most fundamental and constant obligation, and furthermore destroy that very principle of a dual government, central and local, upon which our entire political system is based.

In the case in question we find that, to put it tersely, the State of Nevada, with a population of about 70,000, and the city of Goldfield, with a population of probably 15,000, are thus far in the position of deliberately and expressly abdicating their governmental powers in the face of not more than a few hundred dangerous and disorderly men and of calling upon the Federal Government to perform the work of keeping these men in order by the use of Federal troops. We believe that such a condition illustrates to the extreme the false principles above condemned and that it would be a precedent of infinitely evil possibilities should the Federal Government concur in any such position as the governor of Nevada and the officials of Esmeralda County desire it to take.

The above considerations apply to the fundamental question as to whether the troops should be indefinitely maintained in Goldfield, as is desired by many citizens there, and we believe that these considerations answer that question emphatically in the negative. Since we left Goldfield, however, and on December 31, the governor of Nevada has changed the decision he expressed to us and has issued a call convening the legislature of that State for January 14, 1908. We believe it proper and expedient, inasmuch as the troops are now in Goldfield at the request of the governor, that the troops should remain there until the assembling of the legislature, to preserve the statu quo, so that the legislature may deal with the situation as it now exists. But we also most firmly believe that upon the assembling of the legislature, or within a few days thereafter, the troops should be removed, regardless of any request for their retention that may be made by either the legislature or the governor of Nevada, it being essential that the State of Nevada shall understand this situation completely, shall recognize the fact that there will, at that date, be thrown upon it, and it alone, the primary responsibility of keeping order, and that, recognizing this responsibility, it may take such action as is the duty of the State and as will be sufficient in the premises.

LAWRENCE O. MURRAY,
Assistant Secretary of Commerce and Labor.

CHARLES P. NEILL,
Commissioner of Labor.

HERBERT KNOX SMITH,
Commissioner of Corporations.

The PRESIDENT, White House.

(Governor Sparks to the President.)

[Telegram.]

CARSON, NEV., January 17, 1908.

HON. THEODORE ROOSEVELT,
President of the United States, Washington, D. C.:

The resolution following has been adopted by both houses of the Nevada legislature to-day without a dissenting vote. We earnestly urge you to carefully consider the same. We are now working on a constabulary law, and will keep you advised of progress:

"Resolved by the senate of the State of Nevada (the assembly concurring), That whereas conditions exist in the State of Nevada that border upon and threaten an immediate state of domestic violence; and

"Whereas said State of Nevada has no State militia or other adequate police force at its disposal sufficient to protect its inhabitants against domestic violence: Therefore, be it

"Resolved, That application is hereby made by the legislature of Nevada to the President of the United States to retain in the Goldfield mining district of Nevada a sufficient force of the United States Army to protect said State against domestic violence and to insure to the inhabitants of that community and the State domestic tranquility, the preservation of law and order, and the observance of the laws of the United States and the State of Nevada, and that such portion of the United States Army be maintained in said district until the State of Nevada, through its legislature, now in extraordinary session assembled, shall be able to provide by law for the organization and equipment of a State constabulary or other police force sufficient to maintain law and order and suppress any domestic violence that may occur."

JOHN SPARKS, Governor.

(The President to Governor Sparks.)
[Telegram.]

THE WHITE HOUSE,
Washington, January 17, 1908.

HON. JOHN SPARKS,
Governor of Nevada, Carson City, Nev.:

In response to your telegram transmitting the resolution of the legislature of Nevada, I authorize you to inform the legislature that in accordance with its request I will permit the troops to remain in Nevada for such reasonable length of time as will give opportunity to the legislature to organize such police force as will enable the State authorities to perform the police functions of the State. I assume, of course, that there will be all possible expedition in providing this police force.

THEODORE ROOSEVELT.

(Governor Sparks to the President.)
[Telegram.]

CARSON, NEV., January 29, 1908.

The PRESIDENT, Washington:

Our State police bill passed both houses of the Nevada legislature by a large majority and is now a law. We are working to organize the force as fast as possible.

JOHN SPARKS, Governor of Nevada.

THE THIRD POWER—THE FEDERAL JUDICIARY.

I shall now for a short time direct my attention to the third power, the most potent of all these mighty powers, established and ordained, it would appear, largely for the benefit of property. I refer to the courts, and more particularly to the Federal courts. I do not mean to unduly censure the courts. They are as good as the power that made and sustains them, and it was ordained more than one hundred years ago by the fathers, who wrought as well as the light they had would permit, and that power yet exists in all its original strength.

It is in defense of the freedom of contract that the courts have erected about property a bulwark of defense. Let me remind you, gentlemen, that the freedom of contract when the Constitution was framed in 1787 and the freedom of contract to-day are not one and the same. The great industrial change, which no human mind could then anticipate and which is now an insurmountable fact, has placed the workingman at the greatest disadvantage in seeking to sell or barter his labor. It would require a most cunning sophistry and crafty logic to convince any fair-minded man that the laborer selling his toil to a corporation, which has practically a monopoly over a large part of the country, enjoys the same benefits derived from the freedom of contract as was enjoyed in the early part of the last century and up to the last quarter of it, when the workingman sold his labor in a market to many small competitive employers, uninfluenced by the power and greed of monopoly.

However, the Federal judiciary, at the beginning, was the new ultra of power, and so it is to-day. Its affirmations of law are, as in the days of the Medes and the Persians, thought to be proof against the eternal and God-made law—the only true law, and which is always an evolution, out of the spiritual forces which are everywhere, whether in the realm of physics, of economics, of judicial opinion, or of religion. Changes are being wrought everywhere, in every department of thought, for the upward build and elevation of mankind, except in the Federal judiciary.

These courts are the only invention of man that seem to be impervious to the benign influence of the march of time. Like beavers do they work in the very teeth of this programme, announced and published to all men two thousand years ago on the shores of Galilee. This programme was intended to make all men brothers, and this consummation is from the eternal, and shall come to pass, whether they be rich or poor, high or low, or of whatever repute. They are the same flesh and blood and are by nature brothers, and they must live together like brothers or perish from off the face of the earth.

I criticize these courts for the reason that they seem deliberately to ignore the trend of the times, and in their proceedings lose sight of the controversy and stick in the bark and ignore the spirit, preferring to live on worn-out precedents rather than to enlarge their opinions with the divine ideals abroad in the land, which are everywhere working for the betterment of society. This hard and fast rule, although they call it equity, is invoked when passing on human rights and liberties, the same as if they were passing upon the value of a bale of cotton or a fur hat or any other article of commerce, and they assert in defense of this merciless method, that precedent, man-made, handcuffs and leads them onward, but, I am sorry to say, not upward, in this cruel process.

On a recent occasion Mr. Justice Brewer, a great judge and a Christian gentleman, after talking very beautifully about justice, concluded in this language:

The inevitable failure of justice in this world is a sure sign of a future life.

I suppose he means that the poor devil who starves here will get justice in heaven. And he continues:

In that next world environment and heredity will be rightly and justly considered.

Thus it is that I say all justice and judicial authorities should act with the consciousness of a Supreme Being who is above us, and who will make perfect all the failures of human life.

But I would ask: What good does all this do the man and his children and his wife who are cold and hungry? Referring to mercy as it is considered in human courts, Justice Brewer said:

Mercy and justice are handmaids of Providence, but in this world of ours mercy is not a judicial function. To consider it in the courts would be to establish a precedent. Mercy is seen only in the pardons granted by executive authority, but that is not a judicial function.

What a confession of weakness!

Hear this same judge from the stump. I ask in all seriousness if silence would not be more becoming in this sage of the law? But hear him anyway:

There is a disposition to-day to tie the hands of the judge and restrict judicial action. This is shown by legislation, particularly in the Western States, forbidding the judge to refer in his charge to the fact requiring him to instruct in writing and otherwise limiting the freedom of his action.

The purpose is to guard against injustice resulting from the unwise action of prejudiced judges and to prevent any dispute concerning what took place at the trial. And yet the effect of it is to turn the judge into something little better than a moderator of a town meeting, with no efficient voice in the determination of a litigation.

Far better would it be to take more pains in the selection of competent and experienced judges, and then give them a free hand in the trial. This appears also in Congressional legislation giving to administrative officers exclusive determination in regard to immigrants, the seizure and removal of Chinese, and other prohibited classes. Again, it is disclosed by the clamor against the exercise of the equitable power of injunction. Effort has been made to make this a political question.

Government by injunction has been an object of easy denunciation. So far from removing or restricting this power, there never was a time when its unrestricted and vigorous exercise was worth more to the nation and for the best interests of all.

As population becomes more dense, as business interests multiply and crowd each other, the restraining power of a court of equity is of far greater importance than the punishing power of a court of criminal law.

To take away the equitable power of restraining wrong is a step backward toward barbarism rather than forward toward a higher civilization.

Is he not drunk with power? Read it and question yourself as to the propriety of a judge, who may be called upon to pass upon the legislation that he anticipates, to censure legislation pending in and to be passed by a coordinate branch of the Government in response to a strong public demand. When judges become this bold and audacious, their powers need to be shorn, rather than enlarged—it matters not whether he be a supreme judge of the United States, or a justice of the peace. The people need to lay their hands upon his lofty brow and say:

Cesar, we know that you have been fed on power until you are big with your own greatness, yet you are only our servant; and if we can't get at you now, we will, some of these days, change things so we can.

GOVERNMENT BY THE FEDERAL JUDICIARY.

It has long been the belief of the ablest statesmen of this country that the Federal judiciary would, in time, become the most perfect oligarchy the world has ever seen, and why not? And, I desire to add, it will be because of the system and not because of the judges, who usually have been good and honest men. But, is a man, because he sits on the woolsack, spiritualized? And is he, consequently, one to whom is intrusted the whole counsel of truth? Is he immune to his environments? Has the taint of original sin been removed? Where has his heritage and education gone? Are all transformed into the glory of the brightness of infallibility? And yet, this is the theory of all property worshippers. It is a living untruth. We all know it and history will prove it. The Sanhedrin of Judea claimed to have derived its origin from the hand of Jehovah amid the thunders of Sinai and yet the Saviour of mankind denounced the Sanhedrin bitterly, and it in turn killed him. His indignation was kindled into a flame of righteous wrath and the twenty-second and twenty-third chapters of St. Matthew contain the most withering and severe denouncement of intellectual pride and self-righteousness that was ever uttered. They are philippics for all time against the "holier-than-thou" man. I commend these chapters to the other side of this House.

It is unbecoming in any freeman to worship any man-made tribunal, however much he may esteem and honor it, and with sycophantic adulation, because of self-interest, avow the infallibility of any man's judgment, whether he is on the bench, in the study, on the highway, or in the pulpit, nor do I believe

that good government demands of its citizens a stultification of the truth, even in the interest of the courts. The men of the fifties did not hesitate to express themselves, and not always in good parliamentary language, concerning the courts that were intent upon fastening slavery on one-half of the country, right or wrong.

RECENT DECISIONS AFFECTING LABOR UNIONS.

The following are some of the opinions by Federal judges, wherein injunctions were issued to prevent trade and labor unions from exercising whatever influence they or their members might have by way of argument, talk and literature, to induce nonunion men from taking sides against them with their industrial enemies to defeat them in obtaining better labor conditions from their employers, or masters, in the field of industry:

Toledo Ann Arbor R. R. v. Arthur and R. R. Companies, 54 Fed. Rep., 730.

Guar. Trust Co. v. Haggerty, 116 Fed. Rep., 510.

U. P. Rwy. Co. v. Ruef, 120 Fed. Rep., 102.

Hopkins v. Oxley Stove Company, 83 Fed. Rep., 152.^a

Bowels v. Indiana Ry. Co., 62 N. E. Rep., 94.

Otis Steel Co. (Limited) v. Local Union No. 218, of Cleveland, Ohio, 110 Fed. Rep., 698.

W. B. Conkey Company v. Russell et al., 111 Fed. Rep., 417.

In re Lennon, 166 U. S., 548.

Allis-Chalmers Co. v. Reliable Lodge, 111 Fed. Rep., 264.

So. Rwy. Co. v. Machinists' Local Union No. 14, 111 Fed. Rep., 49.

Boutwell et al. v. Marr et al., 42 Atl. Rep., 607.

In re Eugene Debs, 158 U. S., 564.

Underhill v. Murphy, Typographical Journal (August 15, 1901), page 174.

Jersey City Printing Company v. Cassidy et al., 53 Atl. Rep., 230.

George Jonas Glass Company v. Glass Blowers' Association, 54 Atl. Rep., 567.

Frank et al. v. Herold et al., 52 Atl. Rep., 152.

Hopkins v. Oxley Stove Company, 83 Fed. Rep., 912.

Oxley Stove Company v. Coopers' International Union of North America, 72 Fed. Rep., 695.

United States v. Weber et al., 114 Fed. Rep., 950.

United States v. Sweeney, 95 Fed. Rep., 434.

American Steel and Wire Company v. Wire, etc., 90 Fed. Rep., 608.

Beck et al. v. Railway Trainmen's Protective Union, 77 N. W. Rep., 13.

Construction Company v. Cameron et al., 80 N. E. Rep., 478.

Glass Company v. Glass Bottle Blowers, 66 Atl. Rep., 953.

Allis-Chalmers Company v. Iron Molders' Union, 150 Fed. Rep., 155.

Pickett v. Walsh, 78 N. E. Rep., 753.

Loewe v. Lawler, 148 Fed. Rep., 924.

March v. Bricklayers, etc., 63 Atl. Rep., 291.

Huttig, etc., Company v. Fuelle et al., 143 Fed. Rep., 363.

Fordahl v. Hayde, 82 Pac. Rep., 1079.

Karges Furniture Company v. Local Union No. 131, 75 N. E. Rep., 877.

Jensen v. Cooks, etc., 81 Pac. Rep., 1069.

State v. Stockford, 58 Atl. Rep., 769.

Gray v. Trades Council, 97 N. W. Rep., 663.

O'Neil v. Behanna, 37 Atl. Rep., 843.

The Buck Stove and Range Company v. American Federation of Labor, 35 Wash. Law Rep., 797.

Dietrich Loewe v. Lawler et al., United States Supreme Court, February 3, 1908. Not reported.

Howard, administratrix, v. Illinois Central Railway, United States Supreme Court, January 6, 1908. Not reported.

Adair v. United States, United States Supreme Court, January 27, 1908. Not reported.

Hitchman Coal and Coke Company v. John Mitchell et al., known as the "Dayton case."

SACRED RIGHTS THREATENED.

I shall not offer any analysis of these cases, but do assert that organized labor is by them made halt and lame and will remain but a shadow, for these and other like cases, as precedents, in the hands of an able judiciary bent upon upbuilding the sacredness of property, regardless of the sacredness of human rights and bread and clothes and shelter for the poor, constitute a whole arsenal of weapons for the work to be done. Coming events cast their shadows before them. To-morrow may be seen in to-day. That the liberty of the press and the freedom of free speech are threatened by the trend of such decisions there can be no question.

^a See Judge Caldwell's strong dissenting opinion in this case.

Many of these opinions are by a bare majority of the court and the dissents are often very vigorous. This calls to my mind a short poem, which is appropriate:

FIVE TO FOUR.

The shades of night were falling free
When up from Washington, D. C.,
There come decrees, all handed down
By judges wrapped in black silk gown—
"Five to four."

The income tax? They pondered late
And argued with learning great;
They seized their pens and gravely wrote—
Opinions—then they took the vote—
"Five to four."

The merger? 'Twas a famous case.
Each judge sat there with solemn face
And heard the arguments so keen;
When the decision came 'twas seen—
"Five to four."

Our wards beyond the deep blue sea?
Ah, surely here they will agree!
But after rods of legal lore
Behold the spectacle once more—
"Five to four."

A law to safeguard human life,
To care for orphans and for wife;
Ah, judges on that will agree!
But there's the record—look and see—
"Five to four."

Other decisions of the very greatest importance which have been recently delivered by the court will, by the rhymster, be put into song, showing the same harmony of judicial wisdom. How many decisions involving the construction of the Constitution and statutes affecting labor organizations and the right of laborers in actions for damages have been unanimous and without vigorous dissents? How can the people have the greatest respect for this court when it is divided against itself and not always uses the most judicial language in disclosing to the world its divided views on subjects that many believe involve the perpetuity of the nation? Mr. Lincoln often quoted Scripture when dealing with great questions, and this was one of his favorite passages: "Every kingdom divided against itself is brought to desolation, and every city or house divided against itself shall not stand." What think you of this divine statement? How stands the Supreme Court of the United States—the empire builder—the whole fabric of government thus made at times to hang upon one man's judgment—for it is frequently five to four, as we have seen? Does it not show the very essence of fallibility, of weakness. And if it is the best we can do—and I will not dispute it—let us be sensible and honest with ourselves and speak out when necessary.

What astonishes me most is that this powerful tribunal, in the first decade of the twentieth century, like many similar ones before it, seems to be possessed of unshakable confidence in its wisdom and ability to guide the destinies of the greatest Republic in all history successfully and to the highest goal. But history tells of many such no doubt innocent but self-sufficient tribunals. Most of them have passed away. And, like the tribunal of wise men summoned by King Ahasuerus, like the Jewish Sanhedrin, the Areopagus of Athens, and others, they have existed and wrought, never doubting, as far as history informs us, and without the least trepidation, they pronounced oracles of every kind of law with all the confidence of absolute right and truth.

Listen to that great commoner, Abraham Lincoln, that "second man of sorrows," as he has been designated by a gentleman on this floor:

Speaking of the Dred Scott decision, he says:

It was by a divided court—dividing differently on the different points.
* * * Judge Douglas does not discuss the merits of the decision.
* * * He denounces all who question the correctness of that decision as offering violent resistance to it. * * * We think the decision is erroneous—wrong. * * * We know the court that made it has often overruled its own decisions, and we shall do what we can to have this overruled. We offer no resistance to it.

"YOU WORK AND I'LL EAT."

Lincoln kept in view the real issue that the decision was wrong, and hear him. This is the issue:

It is the eternal struggle between these two principles—right and wrong—throughout the world. They are the two principles that have stood face to face from the beginning of time; and will ever continue to struggle. The one is the common right of humanity and the other the divine right of kings. It is the same principle in whatever shape it develops itself. It is the same spirit that says, "You work and toil and earn bread, and I'll eat it." No matter in what shape it comes, whether from the mouth of a king who seeks to bestride the people of his own nation and live by the fruit of their labor, or from one race of men as an apology for enslaving another race, it is the same tyrannical principle.

I now quote from Mr. Jefferson to show how dangerous he considered the powers of the Federal judiciary. He said, in a letter written to Mr. Thomas Ritchie, from Monticello, in 1820:

The judiciary of the United States is the subtle corps of sappers and miners constantly working underground to undermine the founda-

tions of our confederated fabric. They are construing our Constitution from a coordination of a general and special government to a general and supreme one alone. This will lay all things at their feet, and they are too well-versed in the English law to forget the maxim. "boni iudicis ampliare jurisdictionem."

On the same question, in a subsequent letter to Judge Spencer Roane, also written from Monticello in 1821, he said:

The great object of my fear is the Federal judiciary. That body, like gravity, ever acting with noiseless foot and alarming advance, gaining ground step by step and holding what it gains, is engulfing insidiously the special governments into the jaws of that which feeds them.

Apropos, and in line with these comments by Lincoln and Jefferson, on the danger of clothing the courts or the judiciary with powers of sovereignty, Mr. Gardiner, in his great history of England, says with respect to fixing the boundaries of the constitution of England:

Bacon's dislike of admitting the judges to be the supreme arbiters on political and administrative questions arose originally from his profound conviction that such questions could only be properly treated of by those who were possessed of political knowledge and administrative experience. He felt, truly enough, that the most intimate acquaintance with statutes and precedents was insufficient to enable a man to decide upon state affairs; and if he had ever been inclined to forget it, the example of Coke was constantly before his eyes as proof that no amount of legal knowledge will ever constitute a statesman. Nor was this a consideration of small importance. As the relations between James and his Parliament then stood, the judge who decided upon the law which assigned limits to each could not avoid usurping the functions of a statesman. He not only declared how far the existing law applied to the facts of the case, but he fixed the constitution of the country for the future. It was true that the decisions of the judges were liable at any time to be reversed by act of Parliament; but the day was far distant when it would be possible to obtain the joint assent of the Crown and the Parliament to any act affecting the powers of either. For the present, the judges, if they succeeded in maintaining their independence, would have in their hands the supreme control over the Constitution. They would be able, without rendering an account to anyone, to restrain or to extend the powers of the Crown for an indefinite period. In 1606 they had, by a decision from the bench, assigned to the King the right of levying impositions, which, in spite of all opposition, he retained for no less than thirty-five years.

POWER TOO FAR FROM PEOPLE.

This master intellect did not believe in making the judiciary of any government the final depository of power so far removed from the people. Similar observations from the ablest minds of the world are easy of access to anyone who desires to be informed on this greatest of all constitutional questions, and it is one preeminently for the statesman, as was said by Bacon, Jefferson, Lincoln, and others, rather than for the lawyer learned in statutes and precedents. The great Bacon well understood the workings of the human mind, when unshackled by limitations, whether great or small, learned or unlearned, and knew that it was a dangerous agent, and when made secure its work in any line of thought or conduct, unless checked, would certainly go to dangerous extremes. I understand the form of our Government and that what I am now saying is, for immediate results, fruitless, but I am like others who are upon the walls as sentinels proclaiming what seems to be the truth and what must come to pass. We have had one example—years of the bloodiest internecine war in all history.

Revolutions often are necessary to undo the work of such unhampered power. Such revolutions are well known to the student of history, and it is well, ever and anon, to warn this great coordinate branch of our Government and admonish it that the legislative branch, which touches every sort of public life and is leavened by the best impulses of the age, is jealous of the people's welfare, the proletariat included, and that it is vigilantly watching the labor of this colossus of might and wisdom, which ever have a political and economic bearing.

Is our Constitution so materialistic in genius and construction as to admit only of decisions that make it more difficult every year for the toilers of every class, who bear the burdens of civilization, to advance their conditions in keeping with the best in our civilization? Are all its intendments and implications against social equity and equality? If so, then it had better be amended or discarded, but this court never tells us but that it comprehends all wisdom. I do not want to be charged with animadverting upon the Federal courts for rendering erroneous opinions, for I must take them at their word, and they say they are as liberal as the Constitution and precedents will permit. But I do complain that these high priests of the Constitution never mention the fact that the Constitution ought to be changed by amendment. On this subject they are as silent as the grave, and here I must be pardoned for quoting again from Mr. Jefferson:

On similar ground it may be proved that no society can make a perpetual constitution or even a perpetual law. The earth belongs always to the living generation. They may manage it then, and what proceeds from it, as they please during their usufruct. They are masters, too, of their own persons, and consequently may govern them as they please. But persons and property make the sum of the objects of government. The constitution and laws of their predecessors extinguished them, in their natural course, with those whose will gave them being. This could preserve that being till it ceased to be itself and no longer.

So, Mr. Jefferson thought that no generation had a right to shackle, by any kind of law, succeeding generations. The Federal judiciary will not admit that it is adding anything original and new to the Constitution, but that it is only adapting the Constitution to new conditions as they arise. This is debatable ground, for I must charge that they are not expanding this instrument, as they might, by recognized judicial interpretation with the best thought of the age, breathing into it a holier life; no, they are building by the plan of accretions, which shall perish and pass away. To build for eternity can only be done by the life method; the other is the mechanical method, and is but a makeshift and ephemeral. Such is the patchwork method of building through precedents made by the dead, in size, a larger Constitution. It looks not to the life of the people, and the lines on which American civilization is evolving and developing. The new thought that makes for the uplift and betterment of the burden bearers of the nation, the burning anew of the imperishable principle of the brotherhood of man, that means finally the destruction of all unearned fortunes and an equitable distribution of profits. For true honesty, not legal honesty, is spiritual and it will not mix with dishonesty, which is material. Truth must triumph and truth comprehends honesty, and no doctrine of vested rights, which seeks to legalize dishonesty, can survive.

BROTHERHOOD OF MAN TO TRIUMPH.

Truth, honesty, mercy, and justice—and there is but one kind of justice—all find their roots in love, and the court to-day that has not this conception of justice is behind this age. The most solemn decisions of the courts and message of the President will not avail. *They may tide over the day of correction for a decade or more, but there is no escape from the microbe of dishonesty, or moral turpitude.* It is reactionary and must be reckoned with. Elimination or death is the alternative. Escape from one or the other is impossible. The law of moral retribution is world deep and will be justified.

If the courts refuse to hear the voice of the best thought of the age—for true law is a development, whether it be organic or municipal—touching government, and will not write it in their decisions affecting human rights and liberties based upon the brotherhood principle, and can not write it into their decisions, as the court seems to hold, constraining the Constitution of the country, without doing violence to that instrument, the day will come, though it may be years in the future, and it ought to come, when the Constitution and the courts upholding it must pass away.

If there is to be any question as to who shall amend the Constitution—the whole people or the Federal courts—I am for the people and not for the Supreme Court of the United States, for the people will make it an organism, while the courts will make it a pile of precedents.

Property is municipal. It has no natural rights. They are all man-created and conventional, whereas man is God-created and in His own image and has inalienable natural rights. But his natural rights often seem to me to be as light as a feather compared with the vested rights of property under the constitutional provisions against the "impairing of the obligation of contracts" or depriving "any person of property without due process of law," which make property rights so sacred in this country.

The only questions asked by the property owner and the courts are: Was there a contract made, and does it exist now, and does it involve the rights of property? And if it does, there is no relief against it, because of social conditions and the inequality of the persons making it. Equity, we have always been told, will relieve against all forms of fraud, that it will protect the infant, the married woman, and the imbecile, but the common laborer, though he does not own anything in the world except his strong right arm, with a family to maintain, must be held strictly to the execution of his contracts, however inequitable and oppressive they may be, with no attempt to relieve against inequitable and hard conditions. Although these conditions lie at the very heart of the case, they are slurred over and property and its rights are lifted up by the mighty Aarons to be looked upon, that death and disease may fly away.

For a moment let us examine this point. The employer lives in his own home, surrounded by all the comforts of civilization; has money; controls all the tools of production, all the means of transportation; has social standing; is well known and respected, and is a man of influence in the affairs of life.

Hence he owns and controls practically all the forces of power, and is therefore independent—that is, he is not dependent upon any person, for he has all he needs and can use. On the other hand is the toiler, living in a small, rented house, the property of his employer, with a wife and children, no money, scant clothes, and but little provision, out of work,

the future is dark and threatening, and everything looks hard, and this is but a true picture of a large class in my district and throughout the country. Can you, gentlemen, see any difference between these parties to the contract that they are about to make? If you can not, you are bereft of reason. Verily there is a difference, and a tremendous one, and real as can be; one that goes to the very core of any contract. One party is independent and free to act, the other is bound and shackled by his conditions, for which he is not responsible and which civilization has made for him and his class. The toiler is under moral duress, and the party of first part makes the contract and the toiler passively submits to it.

And yet there is *only* now and then a court broad enough and good enough and fearless enough that will interpret this contract on the very highest equitable principles, considerate of the weak and dependent party. But, bent upon preserving the inviolability of the contract as was Shylock, and again placing under the aegis of the law property rights, or vested right, growing out of this sacred contract another property decision is made, piling Pelion upon Ossa. All sight is lost of the laborer, the laboring classes, and their wrongs, the result of selfishness and the stupidity of all the ages.

The contract must be enforced. The bond calls for it, and the Constitution protects the vested rights of property, whether gotten by fraud or honestly, and does not bother itself as now interpreted about the divine right of God's children. These rights have not yet been defined by written constitutions and statutes. They live only in the brains of a few harmless but emotional altruists who talk inanely about the brotherhood of man.

EQUITY APPLICABLE TO CONTRACTS BETWEEN LABOR AND CAPITAL.

Yet this same court announces, with threadbare repetition, that equity is big enough, broad enough, and circumstantial enough to cover any case that may arise out of the contract to protect property, and I need not mention the cases in which the Federal judges (and my mind, in this connection, always reverts to that ground specimen of avoirdupois and brains, too, and who is now lovesick for the toiler and his demands) have pushed this principle to the limit of extending the jurisdiction to the case at bar, calling for a widening of the domain of equity power. This ubiquitous quality of American equity is only applicable in the protection of property and in increasing the rights of property.

If the equity courts have this inherent power to broaden their jurisdiction on account of the sanctity of property, why not broaden it so as to protect the toiler in his hard, new conditions, to which it seems he is being awakened as he comes up out of the mist of the eons of time? Why does not this great bulwark of American liberty, with its facile pen, write some new law in keeping with the spirit of the age, favorable to labor and labor strikes and the rights of labor growing out of the new economic conditions, the result of industrial combinations, as well as tomes of new law in defense of the strong and vested property rights?

It seems easy, in order to save property inviolate, to add to the Constitution, but how hard it is to swell that sacred instrument with real life—the life of live justice, not dead and hoary with age and covered with ashes—when men want just and higher wages, humane hours, and humane safety appliances!

CLIPPING FROM THE NEW YORK WORLD.

The justices of the United States Supreme Court have taken counsel together regarding the present-day political tendencies in both parties, so far as these seem to the justices to menace the Constitution. They have determined that upon them rests the burden of standing between the Constitution and popular passion. They intend at every point to meet these subversive tendencies and defeat them.

There is reason to believe that the late labor decisions of the court are merely the beginning of a series which will confront the innovators at every step. The decisions in question declared unconstitutional the employers' liability act and the Erdman compulsory arbitration act affecting disputes between labor and capital.

The justices are not confident that Congress can be relied upon to stand permanently between the Constitution and what one of the justices calls "the mob," and they are determined to fulfill their ancient function of a bulwark.

Supreme Court justices never hold conferences on political situations, but they are men like other men and talk over current subjects as others do. They have their ways of finding out what is thought by each without formal conferences. In this way they have been talking over the present dangerous situation, as it appears to them, and have reached an understanding of one another's views.

Whoever is President now and for the succeeding four years, the justices are confident that the composition of the court can not be changed in that time so as to interfere with their intention.

President Roosevelt has proposed that certain laws recently declared unconstitutional by the Supreme Court be so changed as to meet the objection of unconstitutionality. Senator LA FOLLETTE and others have introduced measures to cure defects of unconstitutionality. It is extremely improbable that any measure which the Supreme Court regards as of dangerous tendency can pass muster before that bench, no matter how it is amended.

I have been assured that the quoted article from the World was authorized, and that it expresses the mental attitude of

the court toward Congress, as the court contemplates Congress in the act of passing legislation intended to relieve the present perilous state of trade unions and the labor movement generally, which has been jeopardized because of hostile judicial legislation constantly being enacted by the Federal courts, just as Jefferson said they would enact. The assumption of these judges in lecturing Congress is grossly in bad taste, to say the least of it. The challenge has been flung into the arena, and I see no reason why it should not be taken up.

To me this portends not well for the future. It argues that the most significant discovery of the present age—the social conscience, the recognition in a degree unprecedented in all history of social responsibility, *the demand with an unprecedented imperativeness for social justice*, the substitution on an unprecedented scale of social morality for the hard creed of individualism—is not accepted by this powerful tribunal, which holds in its hands the destiny of the nation.

This country will have no Procrustean bed made for it by any power upon which it shall lie nolens volens, but it will make its own bed, even if it must employ other workmen to make it a new bed. Justice is not a foreign product, on which the Federal courts have a monopoly; it is but one phase of truth, and like the Medicean Venus, what we have of it has come to us in fragments, and we will transmit it to posterity, but rejuvenated, and these fragments posterity will fashion together as never before in the form of a regenerated goddess, and thy temple, Oh Justice, not yet, but partly, emerged from earth, will by and by burst forth through the labors of martyrs to the good and social justice, finished and beautified as never before, the admiration of the world and the glory of mankind. [Applause on the Democratic side.]

Mr. BENNET of New York. Mr. Chairman, I rise for a dual purpose—

Mr. SULZER. You are not going to fight a duel, are you? [Laughter.]

Mr. BENNET of New York. No; I do not propose to spell the word in a way which is, perhaps, more familiar to some Members of the House. My purpose is, first, to say a few kind words for a bill which has not yet met the approval of the House, and, second, to also say a few kind words concerning the city of New York, which apparently in this session of Congress has not entirely met the approval of the House, either. I will ask to have read in my time the bill which I send to the Clerk's desk.

The CHAIRMAN. Without objection, the Clerk will read the bill.

The Clerk read as follows:

A bill (H. R. 13079) to amend section 21 of the immigration law.

Be it enacted, etc., That section 21 of the act entitled "An act to regulate the immigration of aliens into the United States," approved February 20, 1907, is hereby amended by adding at the end thereof the following:

"Provided further, That any alien who is now under sentence because of conviction in this country of a felony, or who may be hereafter convicted of a felony, shall, at the expiration of his sentence, be taken into custody and returned to the country whence he came in the manner provided by section 20 of this act."

Sec. 2. That section 21 of the said act, as so amended, is hereby reenacted.

Mr. BENNET of New York. Mr. Chairman, that bill came before the House on Monday under suspension of the rules. On a division the vote was 64 in the affirmative and 50 in the negative, not the necessary two-thirds. Some of the gentlemen who voted against the bill think along lines of general immigration somewhat as I do, or rather I think very largely as they do. Others who voted against it have in the past held very different views, and I wish to address a few remarks to each branch of the opposition.

I concede at the start that every one of the fifty who voted against it did so after as much thought and deliberation as could be had in forty minutes and from the highest possible conscientious motives. Now, it may be possible that my friends who are what one might term restrictionists on the immigration questions were a little bit suspicious of me as a Greek bearing gifts.

Mr. MANN. Would the gentleman be sent out of the country under his bill if he were a Greek?

Mr. BENNET of New York. The gentleman, if he were a Greek and came in and committed a felony, would go out in a hurry, and so would my interlocutor, whether he were a Greek or a barbarian, and he can take his choice between the two. Now, I put it to my friends on that side of the Chamber who are restrictionists, honest and sincere as I assume you to be, if you vote as a good many of you did in the last Congress to exclude every honest alien who has a sound body and a sound mind, but has not had the educational opportunities to learn to read and write, why, in the name of consistency, if you are opposed

to immigration for any reason, will you not vote to deport the alien who has come in here, violated our laws, committed a felony, and served a term in a penitentiary? Do you think more of the criminal than you do of the honest, able-bodied, though illiterate, alien?

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

Mr. BENNET of New York. Certainly.

Mr. LEAKE. Will not the same remarks apply to gentlemen on his own side of the House who voted against that resolution?

Mr. BENNET of New York. I am not addressing any particular side; this is no question of politics.

Mr. LEAKE. I understood the gentleman to say "that side of the House."

Mr. BENNET of New York. If I said that, I want to amend it by saying "gentlemen on that side of the question."

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

Mr. CLARK of Missouri. Well, Mr. Chairman, I would like to ask the gentleman a question or two.

Mr. BENNET of New York. Certainly.

Mr. CLARK of Missouri. This deporting of the alien is intended as an additional punishment, is it not?

Mr. BENNET of New York. No, sir.

Mr. CLARK of Missouri. What is it intended for?

Mr. BENNET of New York. It is the exercise of the right inherent in Congress to deport any or all of the aliens in this country, and we make a class—that is, those whose terms in State prison or the penitentiary expire some time in the future.

Mr. CLARK of Missouri. I am not saying whether I am in favor of the gentleman's resolution or not. I have not examined it carefully, but I want to ask if the net result to the alien or foreigner is not an additional punishment?

Mr. BENNET of New York. I will be frank with the gentleman. I thoroughly believe that every criminal alien that is deported under this bill will regard it as a greater punishment than imprisonment.

Mr. CLARK of Missouri. Does not the gentleman so regard it himself?

Mr. BENNET of New York. Personally?

Mr. CLARK of Missouri. Yes.

Mr. BENNET of New York. I certainly do.

Mr. CLARK of Missouri. Does not the gentleman know that punishment can be made so high that it is difficult to enforce it at all?

Mr. BENNET of New York. I know that, and I considered it before I drafted this bill.

Now, coming to gentlemen on my own side of the question—not my own side of the Chamber alone—with whom I have fought side by side on this immigration question, let me call your attention to the fact that the worst foe that an honest, law-abiding, foreign-born person in this country has is a dishonest, criminal, misbehaving foreign-born citizen among us. One Italian, walking up the streets of New York on Sunday and shooting one policeman, will attract more attention than 10,000 Italians, law-abiding, peaceable citizens, on that same day in our churches in New York City.

The foreign-born themselves want to get rid of these criminals. Now, I will say to the whole House, as a result of three and a half months in Europe for the Immigration Commission—talking with the chiefs of police, governors of provinces, talking with the plain, common people, talking with anybody that I thought knew anything about immigration—that the worst effect on the foreign criminal himself is produced by the impression that in this country, where we have very largely manhood suffrage, we are so afraid of the foreign-born voter that we will stand up for the foreign-born criminal because we are cowards. That is the impression they have abroad of us. I want to say that the vote of this House on Monday, when it gets over to Italy and to Turkey and to Austria, by wire or by newspaper, will confirm that impression in the mind of every Camorrista in Naples, every Mafaiist in Messina, every Black Hand in Palermo, and every Hunchahist in Constantinople. That is what they believe of this country. They believe that we can not enforce the law and do not dare to enforce the law. I have had an Italian in Calabria, which is said to contain the most dangerous criminals, although I venture to doubt it, shake his finger across the table in the council room of his city hall and tell me about a man that came back from a village in the State of New York, a man who had been a carpenter earning \$4 a day, and had felt his life to be unsafe in the State of New York; had gone back to Italy and worked for 60 cents a day because he felt safer in Calabria, Italy, than in the State of New York in a country village.

Such a situation as that is a disgrace to the American people. I corroborated that condition afterwards in four villages, where men had gone back from the United States to Italy for safety,

Mr. HARDY. Would it not be well for the State of New York to take charge of that state of affairs and enforce its laws and punish the violators of them itself?

Mr. BENNET of New York. Not only the State of New York, but every other State, because they came back from other States. I am in favor of enforcement of law everywhere, in my State and in the gentleman's State, and when one of these aliens, who comes here on invitation, breaks the law and so imposes upon us, for his coming was not in good faith, I am in favor of sending him to jail in the interests of society, and then, after he is out of jail, of deporting him to the country whence he came.

Mr. HITCHCOCK. Will the gentleman define what he means by a felony in his bill?

Mr. BENNET of New York. I am in favor of allowing every State to define that for itself—the United States statutes do it—and then of having the National Government enforce the decision of the State as to what constitutes a felony by deporting the man.

Mr. SABATH. Will the gentleman permit a question?

Mr. BENNET of New York. Yes.

Mr. SABATH. Does the gentleman know that a great many States make a misdemeanor a felony—that is, that misdemeanors in a great many States are made felonies?

Mr. BENNET of New York. With the qualification that I do not think it is a great many States, I admit, of course, that the definition differs in different States.

Mr. SABATH. Is it not true that all larcenies, petty as well as grand, in many States are made felonies?

Mr. BENNET of New York. I do not know about the laws of the different States, but I do know that there may be conditions in the States that will make it necessary to make a crime in one State a felony that is a misdemeanor in another. We have got the remedy in our hands to diminish criminality among the aliens in this country, and I call the attention of my friends from Illinois to the fact—not in gloating, because what happened in Chicago on Monday may happen in New York City to-day, and worse—that on the very day when they and some of my own colleagues from New York were opposing and voting against that bill an alien who had been in the country less than three months went to the residence of the chief of police in the city of Chicago and shot his son, attempted to shoot the father, shot an assistant, and was himself killed by the chief of police.

Mr. MANN. Yes; and the gentleman has a law against it, which we passed, has he not?

Mr. BENNET of New York. Yes.

Mr. MANN. And why did the gentleman not enforce the law and deport the man before he shot the policeman?

Mr. BENNET of New York. No; we have not.

Mr. MANN. Why, certainly you have.

Mr. BENNET of New York. No.

Mr. MANN. The law is on the statute book now which the gentleman helped put through, and I voted for it. The gentleman is on the Immigration Commission. Now, why did not they deport the man?

Mr. BENNET of New York. Because there is just that omission in the law. The man had not committed any crime in Europe. He had not admitted the commission of any crime, had not been convicted of any, so far as I am advised, and therefore had a right to stay in this country.

Mr. MANN. But he was an anarchist, and there is no need of any law to deport that man—he is dead.

Mr. BENNET of New York. Yes; but how about the poor wife and children that they were talking about here Monday?

Mr. MANN. That is about what the gentleman's law is aimed at—deporting dead men.

Mr. BENNET of New York. Pass the law for us and we will deport lots of live ones.

Mr. MANN. Why not enforce the law you have now?

Mr. BENNET of New York. Because, as I pointed out to the gentleman, there was no way. This man had not committed any crime, and as far as there being any proof that he was an anarchist, I do not know that any exists. His people deny it.

Mr. MANN. But the gentleman laid great stress upon this thing at that time.

Mr. BENNET of New York. No; I beg the gentleman's pardon.

Mr. MANN. The gentleman himself may not have laid great stress upon it, but great stress was laid upon it in the House. I think I voted against the proposition myself to permit the Government to deport anybody on the ground that he was an anarchist, and I would do it again.

Mr. BENNET of New York. The gentleman is entirely mistaken as to last year, because the provision deporting anarch-

ists was section 39 of the act passed in 1903. We simply reenacted that part of the old statute last year.

Mr. MANN. Well, it was in the bill that went through last year.

Mr. BENNET of New York. Certainly; everything was in the bill. It was a general revision.

Mr. HARDY. I want to ask the gentleman a question in respect to his definition of what a felony is. It differs in different States, and some men might be punished by deportation in the State of Texas and not by deportation in the State of New York or some other States, because one State made the act which they committed a felony and the other did not.

Mr. BENNET of New York. Unquestionably.

Mr. HARDY. Then your law would be uncertain.

Mr. BENNET of New York. Not at all. When a man in Texas committed a felony and went to the Texas State prison he would know he would be deported. When he committed a felony in the State of New York and was sent to our prison he would know he would be deported.

Mr. HARDY. Supposing your anarchist or foreigner is a constitutional lawyer?

Mr. BENNET of New York. He knows as much about the law as anybody else; he is not a fool ordinarily.

Mr. HITCHCOCK. May I ask the gentleman a question? Has the gentleman any statistics showing how many aliens in the United States have been convicted for felony?

Mr. BENNET of New York. Oh, of course I have not.

Mr. HITCHCOCK. Is it not a fact a very small proportion of the total number are convicts?

Mr. BENNET of New York. It might be a small proportion, but it would be a very considerable number of people.

Mr. HITCHCOCK. Is it not also true that the chief deterrent of crime is not the severity and amount of punishment, but the certainty of punishment, and is not the chief trouble of the States to which the gentleman refers now the fact that men are not being convicted of anything?

Mr. BENNET of New York. Oh, no. If you had this law, the alien criminal would not come here, to begin with, because he now regards this country as an asylum, and they break the laws of their own country by coming without passports and on false and forged passports in order to come to our country deliberately to pursue a life of crime.

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

Mr. BENNET of New York. Certainly.

Mr. MANN. The gentleman said that if we had this law the alien criminal would not come here. Have we not now a law prohibiting the alien criminal from coming here?

Mr. BENNET of New York. We have a law.

Mr. MANN. For that purpose?

Mr. BENNET of New York. Yes; if the gentleman will permit me to answer the question—well, I have answered that question. We have a law.

Mr. MANN. The gentleman admits we have a law requiring that now.

Mr. BENNET of New York. I say, yes.

Mr. MANN. Now, does the gentleman think that one-tenth or one one-hundredth of the persons who commit crime have any expectation a year ahead of committing a crime?

Mr. BENNET of New York. I will answer the gentleman by saying there are some Black Hand men coming here now from Palermo, Sicily, not under passports, not with the connivance of their Government, but in violation of the laws of Italy, with the deliberate intention of committing crime in our country; it has been that way at any time during the last five years.

Mr. MANN. Well, have we not a law covering that now?

Mr. BENNET of New York. We have a law, but among the things our Commission has discovered in that law are weaknesses and defects, which is one of the reasons why we went abroad, and I think we will find a way to stop that; but I want, in addition to stopping the criminals from coming in the future, to send back those who came through the weakness of our own laws in the past.

Mr. MANN. Does not the present law provide for the deportation of the class of men to which you have just referred?

Mr. BENNET of New York. Deportation?

Mr. MANN. Yes.

Mr. BENNET of New York. If they have committed a felony.

Mr. MANN. I am not talking about your bill; I am talking about the law. The men who come here for the purpose of committing a crime, the class of men you are talking about, does not the present law forbid their entrance and provide for their deportation?

Mr. BENNET of New York. That can not be answered yes or no. If these men have committed a crime abroad involving

moral turpitude, our law provides that they shall be kept out, and if they get in they can be deported at any time within three years, but there are defects in the law. I am not going into those exact defects—

Mr. MANN. Does the gentleman know of any cases of that kind of people coming into our country which he states?

Mr. BENNET of New York. Why, certainly.

Mr. MANN. How does the gentleman know of such cases when no one has been deported for such reason?

Mr. BENNET of New York. I will say to the gentleman from Illinois that in the first place people have been deported for that reason. We deported within the last year the chief of the Camorra, who committed a murder in Naples, fled to this country, was apprehended by the officials of the Department of Commerce and Labor and sent back to Naples for trial, and I will ask the gentleman from Illinois to watch the newspapers during the next month.

Mr. MANN. Well, that is asking too much.

Mr. BENNET of New York. Well, watch the Chicago newspapers; even that is a good deal.

Mr. HENRY of Texas. May I ask the gentleman. The gentleman from Illinois seems to be troubling the gentleman from New York somewhat with this inquiry. It has been stated here, in the case of the Chicago anarchist who was killed, that it was not developed at all that he was an anarchist until the post-mortem examination was held.

Mr. BENNET of New York. I see that Miss Emma Goldman denies that he was an anarchist at all. The gentleman from Illinois is not troubling me. I think he is assisting me in elucidating the point. This law, in addition to what I have—

Mr. GAINES of Tennessee. Will the gentleman let me inquire if the present law is being enforced?

Mr. BENNET of New York. The present law is being admirably enforced.

Mr. GAINES of Tennessee. Where is it enforced most—in New York City or in the cities of the interior?

Mr. BENNET of New York. Of course it is enforced most in New York, because there is where the most come through.

Mr. GAINES of Tennessee. Is it vigorously enforced in New York?

Mr. BENNET of New York. It is vigorously enforced. I will say to the gentleman that not only the Commission feel, but independent bodies not connected with our Commission, who have sent people through New York as immigrants, unanimously report relative to the enforcement of the law there that it seems to be as vigorous as it can be.

Mr. GAINES of Tennessee. Let me suggest this to the gentleman: I see that you are laboriously investigating this matter. Why do you not authorize our consul or some representative of the United States in Naples to give a certificate of good character before he permits an individual to come into the United States? Why not start it over there before the lion is turned loose over here?

Mr. BENNET of New York. I will say to the gentleman that that is one of the suggestions being considered by our commission.

Mr. GAINES of Tennessee. I suggested it four or five years ago.

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

Mr. BENNET of New York. Certainly.

Mr. PAYNE. The question has been raised of the difference between what constitutes a felony in Texas and in New York. Now, would it not obviate all the objections that seem to be in the mind of the gentleman in regard to that, if my colleague would amend his bill, applying it only to those convicted of an offense punishable under the laws of the State by imprisonment in a State prison?

Mr. BENNET of New York. That suggestion has been made.

Mr. PAYNE. That would make it uniform, it seems to me, and obviate that objection.

Mr. BENNET of New York. If every State had a State prison, that would be uniform.

Mr. PAYNE. Or a term beyond a year in the penitentiary. I am not particular about the verbiage. But it seems to me we might get at a uniform system in the United States in that way. And a further suggestion occurs to me, that while it is sometimes difficult to prove that a crime has been perpetrated by an alien coming into the country, in the foreign country, in the cases under this bill it renders it certain that a crime has been committed, because the crime has been committed here, and there is a conviction for the crime, and, therefore, if in these cases it is right to deport criminals at all there could be no mistake.

Mr. BENNET of New York. Not in the slightest.

Mr. PAYNE. Have an exact language as to the criminal and the crime in this country.

Mr. FLOYD. Will the gentleman yield?

Mr. BENNET of New York. I have only four minutes. Suppose that you get the gentleman from Tennessee [Mr. Moon] to give me five or ten minutes. The gentlemen on that side have been taking my time a good deal.

Mr. FLOYD. In my State we have a number of crimes that are felonies under the law—that is, the punishment may be by imprisonment in the penitentiary and at the same time it may be by fine, and often a court or a jury convicts and imposes a small fine. Yet our highest court has adjudicated that is a conviction in a felony case, and I think your bill as drafted would cause those men to be deported for an offense that could be considered trivial. And if the bill was amended as suggested by the gentleman from New York [Mr. PAYNE], providing for imprisonment in the penitentiary, or something of that kind, that objection might be removed.

Mr. BENNET of New York. I thank the gentleman for his suggestion.

Mr. HENRY of Texas. Will the gentleman yield for just a moment? I want to suggest that in my State nothing is a felony that is not punishable by imprisonment in the penitentiary. But there are a great many degrading offenses and a great many serious offenses which are not denominated as felonies under our law, and it seems to me you ought to amend it so as to let it cover those offenses of a lesser grade than that of a felony. It seems to me that the bill ought to include such offenses as that.

Mr. BENNET of New York. The two gentlemen who have spoken last illustrate the difficulty that a man would fall into if he would attempt to cover the differing laws in the different States.

Mr. WALDO. What provision has the gentleman made in case of an honest man who comes here and declares and lives in this country nearly six years, perhaps marries and has children, but who in a quarrel or in the heat of passion may have committed what might be manslaughter in the second degree? Ought he to be sent back?

Mr. BENNET of New York. A man that commits a crime in the nature of murder and is tried, sentenced, and goes to jail, I do not think we can make an exception of.

Mr. WALDO. How about his wife and children?

Mr. BENNET of New York. He ought to have thought about his wife and children before he committed the crime.

Mr. WALDO. Is not that true of the American as well?

Mr. BENNET of New York. Exactly; but we can not deport an American.

Mr. WALDO. I think it is a little too late to deport a man of this kind.

The CHAIRMAN. The time of the gentleman has expired.

Mr. OVERSTREET. Does the gentleman want some more time? If so, I will yield him five minutes.

Mr. BENNET of New York. I thank the gentleman for yielding me five minutes, during which I must decline to be interrupted. I want at least these five minutes in which to speak about the financial situation in New York.

I want to assure some gentlemen on both sides of the House who seem to think that we are going to the "demnition bow-wows" in New York, which we are not, that we had more money in our savings banks in New York City on the 1st day of January than we have ever had before in the history of our State—\$1,380,399,090, to be exact.

There is a general impression that all our banks suspended payment of currency. That is a mistake. I had with me yesterday in the gallery the president of a bank that never denied a man a dollar that was entitled to it during all that time; and in my own bank, whenever I put any money in, I could get it out. [Laughter.]

I sent a letter to every man in my district last fall—51,000.

Mr. SULZER. It would not be advisable to deport that many.

Mr. BENNET of New York. I can not even yield to the newly married gentleman from New York [laughter], except to congratulate him on his marriage.

Mr. SULZER. Much obliged to you.

Mr. BENNET of New York. They told me that I had better not send out these 51,000 letters, because there were so many men out of work and I would get so many requests for places that I could not be reelected next year because I could not fill them. I sent out 51,000, and for a while I got replies to the extent of 200 a day. I got, of course, the usual letter from the man who wants a political job—him we have with us always—and from the man who wants a job as a day watchman for six hours a day at Amsterdam avenue and the corner of One hundred and twenty-seventh street, and nothing but that; but of

the appeals from men out of work I got fewer than thirty; and, furthermore, I secured places or offers of places enough from various friends and sources so that I was able to offer employment to every man in my district [applause] who wrote to me for work.

The association for improving the conditions of the poor, which has investigated the condition of the homeless men, reports, in the plenitude of their years of experience, that less than 1 per cent of the homeless men in New York City would work if they could get it. We have always men out of work, always have destitution, and always will have in a city of 4,000,000 people, and we will always have a sad, disheartening army—the kind of a man that would not work if he could get it, and could not work if he would—in a city that keeps about three saloons on the four corners of the streets. That is what builds up in a great measure that class of destitution in New York always. Furthermore, for the month of January the postal receipts fell off about 6 per cent as compared with last year, and for the month of February, leaving out the extra day, my colleague [Mr. PARSONS] has just received a statement from the postmaster there showing that the receipts fell off less than 3 per cent.

We are not asking any help in New York or pleading for any charity, and do not want anybody's sympathy and have not asked anybody for a public collection.

Mr. MANN. That does not apply to the United States Treasury. [Laughter.]

Mr. BENNET of New York. We will take our share just the same as people from any other part of the country. I have not seen any indisposition on the part of anybody else. [Laughter.]

Now, in relation to the currency question. In our city this is strictly a business question. I am glad to see that our Banking and Currency Committee has not divided on strictly party lines. We have, counting in our colleagues Representatives COCKS and ANDRUS, nineteen Members from the city districts. I have consulted with some of my Republican colleagues and some of my Democratic colleagues, including Representatives COCKRAN and FURNES, who took such creditable part in the running debate with the gentleman from New Jersey [Mr. FOWLER] some time since. I am not authorized to speak for the delegation nor for any Member but myself, but I think I can assure the House that our nineteen votes will be found with anybody on either side of the House who endeavors to obtain ample discussion of the currency question and full power of amendment of any measure presented. With one possible exception, I know of no votes from New York City for the Aldrich bill in its present form. The distinguished Senator whose name the bill bears may, however, have amendments which will make it better. He has referred to them several times in debate. I can assure the House also, knowing my colleagues from New York City as I do, that we shall bring to the discussion of the currency question no thought to obtain mere partisan advantage and no captious criticism. Such knowledge as we have or may acquire will be at the service of any sincere effort for good legislation. Ours is the chief city in the land in commerce, manufacture, and business. A safe elastic currency of a known and certain value is a necessity to us. Without it industry languishes, the unemployed increase, and suffering comes to women and innocent children. The man among us from New York who would use this great problem to advance his own interests or those of his party to the detriment of proper and speedy legislation would be driven by popular opinion from public life.

I append, Mr. Chairman, an article from the New York Sun showing the praiseworthy efforts of the Italians of our city to bring the criminals of their own race to justice. I have always predicted this, and regard it as a proof of true American spirit.

FIGHT THEIR OWN CRIMINALS—ITALIANS FORM A VIGILANCE PROTECTIVE ASSOCIATION—LOCALLY IT WILL COMBAT SO-CALLED "BLACK HAND," WHICH SPEAKERS SAY ISN'T ORGANIZED HERE—AS FAR AS ITALY TO IMPROVE THE IMMIGRANT—BOMBISTS ABSENT.

The Italian Vigilance Protective Association was organized last night for the purpose of putting a stop to crimes among the Italians of this city and for the betterment of the race in this country. A permanent organization was formed in Bollettino Hall, 178 Park row, where a mass meeting was held in answer to an appeal of Frank L. Frugone, editor of the Bollettino della Sera, an Italian newspaper, that the law-abiding Italians protest against outrages perpetrated by their criminal countrymen.

More than a thousand Italians tried to crowd into a little hall whose capacity at the outside is 500. Fearing that bomb throwers might appear, a squad of policemen from the Elizabeth street station and a dozen detectives from Joe Petrosino's command were on hand, but the expected didn't happen.

It was decided to establish branches of the association throughout the city, prepare an appeal to all Italians in the United States to maintain law and order, to form an arbitration board which will settle differences among themselves and with others, and to appoint a committee to draft a memorial asking the Italian Government to instruct prefects of police to teach emigrants to obey the laws and quit carrying firearms.

Primarily the meeting was to protest against the crimes which newspapers have attributed to the Black Hand. Right off the bat the speakers one after another declared there was no such thing as a Black Hand organization in this city, and they put all the bomb throwing outrages and the mysterious murders and shootings that have baffled Petrosino and his men up to individual criminals. The Black Hand, the speakers said, existed only in the minds of Americans.

John J. Freschi, a lawyer, who spoke in English, suggested that the meeting petition the State legislature to make the crime of extortion and blackmail punishable by twenty-five years in prison, and send kidnapers to the electric chair. He said 300 or 400 Italian policemen are needed on the force, 200 detectives for Petrosino's squad, an Italian assistant district attorney, and an Italian judge on the general sessions bench. He suggested that the Bennet law now before Congress should be amended so that convicted aliens should be deported as soon as they are found guilty, and not after serving their sentences.

Mr. Frugone attacked the newspapers for ascribing recent crimes to the Black Hand.

"Blackmail, kidnapping, and bomb throwing are the barbarous crimes of the present day," he said. "They are perpetrated by criminals whom common law repudiates, and who if discovered would be punished to the severest extent of the law."

"In the name of justice and humanity we hereby emphatically and most earnestly protest against this destruction of property, this continual blackmail, and all other murderous attempts, and do solemnly declare our purpose to make these criminals obey the laws."

"The newspapers report that certain Italians are the principal villains who use blackmailing, kidnapping, and bomb throwing for their criminal satisfaction. If that is established, we will certainly use our greatest efforts to bring these criminals to justice."

Mr. Frugone, who was chairman of the meeting, was elected president of the association and proclaimed leader of the new movement. In his speech, which was interrupted by numerous "Bravos!" he pointed out that there are 400,000 Italians in New York City, and that they had not been getting a square deal. He praised Police Commissioner Bingham, but said the responsibility of the continued so-called "wave of crime" among the Italians was due to inadequate police protection. He said the Italians were entitled to protection, and that it was up to the police department to give it to them, and he advised all who sustained property losses by bomb explosions to sue the city for damages.

"This country has opened its arms to us and given shelter and protection to all comers. We must, and will, stand united against this gang of evildoers, whatever their nationality may be, who are bringing to this Republic their disgraceful character and abominable crimes, which may result in the prohibition of all immigrants as undesirable citizens."

All of the speakers, who included the Rev. Father Eucheria Gianetto, director of the Journal of Italian Catholics in America; G. Ruggio, editor of L'Araldo; Louis Leone; August Bianchi, the banker, and B. Ciambelli, editor of L'Grapho, urged the Italians to loosen their tongues when they knew of crimes. They pointed out that in nearly every case of an Italian outrage the victims themselves have shown hesitation about aiding the police.

"Be fearless and brave, and don't hesitate about giving the criminals up," said Father Gianetto, "and soon there will be an end to these outrages."

Another speaker told of the lawabiding Italians in the South American countries, where the so-called "Black Hand" was unknown. It only went to show, he said, that the crimes in the Italian quarters of this city could only be laid to individuals.

A meeting of the Vigilance Protective Association will be held in Bollettino Hall next Monday night, when further steps will be taken to put an end to Italian crimes.

Mr. OVERSTREET. Mr. Chairman, I ask the gentleman from Tennessee [Mr. MOON] to occupy the remainder of the time this afternoon.

Mr. MOON of Tennessee. I yield to the gentleman from Wisconsin [Mr. KÜSTERMANN] fifteen minutes.

Mr. KÜSTERMANN. Mr. Chairman, the distinguished gentleman from Tennessee [Mr. SIMS], who to-day spoke so eloquently about margins, a short time ago called our attention to a hold-up on the streets of the city of Washington, and he tried to establish a connection between that crime and the influence of liquor. Now, according to the laws of gravitation, no intoxicated man can run as that fellow did. Those light-footed policemen of this city could not reach him; but if it is true that the action of a man is accelerated by medicine of that kind, why, I say to you, give it to the members of the Committee on Ways and Means. [Laughter.] While I called attention to the fact some weeks ago that petroleum was not on the free list, these gentlemen have not yet acted, and the result has been that the people of the United States have continued to pay 2 or 3 cents a gallon more for American oil than the people of England. [Applause on the Democratic side.]

In fact, if the committee had acted on it on the spur of the moment, carried away by my eloquence, they would have already saved the people of this country \$1,116,182.34. And if they act right now they will save the people of this country \$37,206.07 every twenty-four hours. [Applause.]

Now, I referred to that hold-up under the shadow of the night, to which our attention was called by the gentleman from Tennessee, for the purpose of calling the attention of the House to another hold-up that is being perpetrated every day of the year right here in the city of Washington, in one of the most prominent buildings on Pennsylvania avenue, the Post-Office Department.

On page 14, commencing in line 9 of the bill before us, we find an item of \$300,000 for the purchase or rental of canceling machines.

The great number of these machines are rented, because the owners of the invention will not sell them to the Government.

The present owners, it is safe to say, are not the original inventors, but probably, as is generally the case, either bought the patent for a paltry sum or scared some brainy but poor genius out of his patent by threatening him with an infringement suit.

Now, those in charge of post-office matters, anxious to place labor-saving machines in the different offices, did not insist, as they should have done, upon purchasing these machines or not taking them at all, but they did as was dictated to them by the owners of the several patents—they rented the machines.

Now, if the rent had been somewhat in proportion to the real value of the machines, and if the rent could have been agreed upon for a long term of years, this, while even then wrong in principle, might have passed.

But it becomes a hold-up if the annual rent amounts to 30 or 50 per cent profit on the investment.

There are now 1,540 such machines rented at an annual rental of \$256,920. Here is a list of them, procured from the First Assistant Postmaster-General:

CANCELING MACHINES.

Statement showing the number of canceling machines under contract and now in use, the rental price, and the total amount that would be required if all machines were in use the full year.

Made by—	Number.	Annual rate of rental.	Total annual rent.
International Postal Supply Co., New York, N. Y.:			
Hey & Dolphin "Flier".....	259	\$400	\$103,600
Hey & Dolphin model S.....	72	150	10,800
Hey & Dolphin model L.....	183	90	16,470
American Postal Machines Co., Boston, Mass.:			
Combination.....	385	150	57,750
Drop-feed.....	283	100	28,300
Hand-power.....	215	80	17,200
Columbia Postal Supply Co., Silver Creek, N. Y.	68	150	10,200
Barry Postal Supply Co., Oswego, N. Y.	62	150	9,300
Time Marking Machine Co., Chicago, Ill.	10	300	3,000
Total.....	1,540		256,920

It was a mistake in the first place to ever take a single machine that could not be acquired by purchase—we got along without them before, and we could have continued to do so—unless the owners of the inventions had been willing to sell us those machines outright.

I for one shall oppose the renting of another machine after the present contract has expired. If we can not purchase them, let us return to the old methods, and thus give employment to some of those who are looking for a job.

One high in authority in the Post-Office Department tells me that an excellent and practical canceling machine has lately been invented in Europe. I am ready to give preference to the inventions of Americans, but only if they are willing to sell their machines at reasonable prices.

This incident again shows us the great necessity of remodeling our patent laws. The Government of Germany reserves the right of purchasing any patent that is of exclusive use in some department of the Government or such inventions that by virtue of the patent can only be procured by the public at an exorbitant price. However, the German Government treats the patentee very fairly in having a commission of three appointed to settle on the price to be paid—one by the Government, the other by the patentee, and the third by the two others.

Another matter that in the bill before us will be called to our attention is found in the third line of page 19—\$4,800,000 for railway post-office car service. Most of this is for rent of mail cars.

By one who has looked into this matter I am told that the rent paid for seven or eight years would purchase all the mail cars needed. If such is the case, Uncle Sam is far from being a good business manager. The annual rent for these cars is, according to size, from \$25 to \$40 per mile traveled daily, so that the rent of a postal car from my home in Wisconsin to the city of Chicago, about 200 miles, would be from \$5,000 to \$8,000 a year, according to the size of the car. If the same car returns within twenty-four hours, as I believe is the case, it would be double the amount, or \$10,000 to \$16,000 a year. Such a car could probably be built and equipped for from \$25,000 to \$35,000.

If the daily mail averages 1,000 pounds, which it probably does on the line referred to, \$100 per mile is allowed in addition, by act of March 3, 1873, for carrying the mail—200 miles, \$20,000.

No matter what the first cost, let the United States own its mail cars and whatever else is needed in the several Departments and quit paying an exorbitant rate of interest on the investment of private owners.

Mr. BRODHEAD. Mr. Chairman, national extravagance, like individual extravagance, leads to no good. A few years ago a "billion-dollar Congress" was an accusation. Now a "two-billion-dollar Congress" is a Republican boast, and more a-coming; at least more is proposed. It is about time to call a halt.

The President in his first message to this Congress informed us that the Secretary of War, who is now supposed to be the Presidential legatee, had gone to the Philippines and that, on his return, his report on the islands would be submitted, from which I infer that whatever recommendations the Secretary would make would be the President's own.

On the subject of the Philippines I find in the Annual Report of the Secretary of War for 1907 recommendations for the expenditures of large sums of money in these islands for the establishment of a regimental post, the enlargement of the Fort McKinley Reservation, and the building by the Government of "an electric or other railway" from the north shore of Mindanao to Keithley, on Lake Lanao. The report informs us that Keithley is 3,000 feet above the sea, and that it is a very healthful spot.

I have no doubt but that if this Government would but go into the railroad business in Mindanao, building "an electric or other railroad" to Lake Lanao, that beautiful lake which the Secretary tells us is 3,000 feet above the sea and very healthful would soon prove a rival to Lake Como.

Mr. Chairman, the impenetrable forests of Mindanao can all be conquered, and beautiful lakes 3,000 feet above sea level can be made accessible if we but give up our dream of internal improvements on our own continent and follow the recommendations of Mr. Taft and sink our National Treasury in the isles of Hellabaloo in the Philippine group.

Why plan an Atlantic inland waterway or the Lakes-to-the-Gulf scheme when we have such beautiful and healthful spots as Lake Lanao, in Mindanao, 3,000 feet above the sea, which requires a railroad and the Government to build it?

But in the Philippine group there are over a thousand islands and many more beautiful lakes and healthful spots. The prospect is limitless. The Secretary's recommendation that the Government build this railroad to Lake Lanao is but an entering wedge. Up with the flag! Let our patriotism know no limit. More Government railroads! The Philippines are ours, every one of them, so let us have a railroad for every isle. More Lake Lanaos, 3,000 feet above the sea. Indeed, Mr. Chairman, we can make the Italian lakes look like street puddles. Grind down the poor departmental clerks; stop public buildings in small cities; give up all hope of inland waterways in our generation; stop all internal improvements, for lo, the Government must go into the business of building and operating railroads in the Philippines!

Oh, let the people know what is proposed to be done in the Philippines, and then listen to them call a halt.

I quote the following from a very interesting book entitled "With Speaker CANNON Through the Tropics," written by a most energetic, cultured, and distinguished Member of this Congress, my friend and colleague, Hon. J. HAMPTON MOORE, of Philadelphia, from which it will be seen that the appalling weight of the Philippines is being felt even by those wedded to the Republican policies.

At page 403 in his delightful book Mr. MOORE says, quoting Secretary Taft:

"We expended in the Cuban war \$300,000,000, and we have never invited from Cuba the return of a single cent. In establishing order in the Philippines we expended \$170,000,000," the Secretary informs us, and then, answering a certain line of argument, adds: "It may be objected that the \$170,000,000 or more expended by the United States in suppressing the insurrection in the Philippines was not for the benefit of the Filipino people, resulting as it did in the death of many. This is a narrow view. No money or blood was ever spent more directly for the benefit of a people than this. * * * The war was deplorable, but no other possible alternative was open to us in the discharge of our duty as a nation."

"Our duty as a nation." In that single sentence warm-hearted Secretary Taft speaks with all the kindness and indulgence of the great American people. Having no other alternative, he presents the condition that confronts us. On one side of the account "for the development and upbuilding of Porto Rico, the preservation of peace in Cuba, and the education and civilizing of the Philippines" we are charged with the expenditure of \$300,000,000 of the revenues of the United States; on the other side of the account we are credited with "our duty as a nation." The problem first confronted us nine years ago. It was thrust upon us, and we accepted it. It has not resulted in profit to the United States, except as we may regard it profitable to take of our own substance and bestow it upon other and less-favored people. Fortunately we are at peace with all the world and may now discuss the entire question calmly. If the situation were otherwise, we would doubtless continue to carry our burden and not discuss it at all. How far, then, does the duty of the United States, as almoner and protector of restless islands extend? Is it our duty, in the case of Porto Rico, to at once admit that island to citizenship equal to that of Maine or California, when we deny it to Arizona and New Mexico? * * * The same Cuban war which involved us in a \$300,000,000 expenditure brought us the Philippines. Dewey and destiny placed in our care 7,000,000 black people thousands of miles across the sea.

They are more remote from us than the West Indies are from the controlling European powers. The expense of taking and maintaining the Philippines has been \$170,000,000, enough, if applied to the deepening of inland waterways in the United States, to complete the Lakes-to-the-Gulf project along the Mississippi Valley and the chain of inland waterways along the Atlantic coast from Massachusetts to North Carolina. We maintain civil officials and 12,000 of the flower of the United States Army in the Philippines. If we had to defend the islands from attack by water it would doubtless engage the entire Navy of the United States. We would fight for the Philippines "to the last ditch." That is the temper of the American people. We would not yield them by compulsion, but when no hostile power threatens, why not take counsel of each other?

The Philippines are far away; they are troublesome and expensive, and our hold upon them is unnatural. We had no desire to acquire them, and our dignity need not be offended if, in some honorable manner, we could manage to dispose of them.

The Philippines are of little commercial value to us; the West Indies would be. * * * What do we need in the Philippines more than a coaling station for naval purposes or a harbor for vessels engaged in the transportation of American commerce? What more than these in the West Indies do foreign nations require? The day of the buccaneer is gone, and the day of industrial expansion is at hand. Great nations are warring with each other, not for martial glory, but in legitimate and commendable contests for commercial supremacy. It is, after all, a war of the brains and the brawn of the nations. The United States is engaged in this world battle only to the extent of 5 per cent of her great manufacturing and agricultural output. Has she the time or the patience to extend it through the Philippines? And if she had, would her efforts in that direction compensate her for the expenditure and the risk? Is it her business to remain there if she can honorably withdraw and devote her money and the lives of her soldiers and sailors to worthy causes nearer home?

"We can not settle this in a day," said Speaker Cannon, referring to the Cuban complications. No more can we settle the tremendous problem of the Philippines in a day. They stand on our national books as both an asset and a liability. Shall they remain with us forever, a charge upon our bounty, to the prejudice of closed ties, or shall we let them go? The sky to-day is clear; it may not be always so. What, then, if some bright morning there should flash across the world the startling news that calm and thoughtful statesmanship had found a way to end our strange alliance, to return to us our soldiers, sailors, teachers, and statesmen from the Philippines for employment in more inviting fields in the West Indies and the great continent beyond?

I purposely put the argument in the form of questions, because it is impossible, in the absence of a plan of procedure, to declare a fixed policy. I believe the United States would be benefited if it could, in some honorable way, rid itself of control of the Philippines and assume control of the West Indies. The Philippines can not, in the nature of things, be made an integral part of this great nation; the West Indies might be absorbed and, in course of time, be made as truly a part of the United States politically as they are now geographically.

Mr. Chairman, Mr. Moore has evidently given careful study to the subject, and has come to the same conclusion that anyone else will come to who will but carefully consider the situation.

Mr. Chairman, ten years of Republican extravagance, ten years of reckless disregard of the Constitution and its limitations, ten years of paying the expenses of one year by mortgaging the prosperity of the year after, have so largely unsettled the foundations of American political economy that Democrats, Democrats by study, by inquiry, by conviction, and by inheritance, naturally ask themselves and each other: "Where is the reversal of American policies in government to stop?"

It is less than ten years since, in Congress, a distinguished, outspoken, and farsighted American statesman expressed the fear of and coined the phrase "a billion-dollar Congress," and lo, almost a two-billion Congress has arrived. Speaker Reed's exclamatory boast that this is a billion-dollar country is an insufficient excuse for our present appalling extravagance.

According to the official statements of appropriations, the Fifty-ninth Congress at its last session appropriated \$920,798,143 for 1908, or over \$41,000,000 more than at the preceding session. At its first session the Fifty-ninth Congress appropriated \$879,589,185, or \$60,000,000 more than the Fifty-eighth Congress at the preceding session. In two years the Fifty-ninth Congress appropriated over \$1,180,000,000, or an average increase of \$50,000,000 a year. At this rate, by 1911 the Republicans, if then in office, will be able to celebrate the passing of the \$2,000,000,000 mark.

For the four years under the second Administration of Grover Cleveland—1893-1896—the total appropriations amounted to \$2,016,345,753. The total expenditures of the four full years of the Republican Administration following were \$2,430,316,390. In the four-year period ending June 30, 1906, the aggregate of appropriations reached \$3,153,334,292, an increase of \$1,396,990,539 over Mr. Cleveland's second term. Exclusive of the Panama appropriations, the increase of expenditures in 1904 over 1903 was \$35,496,995; in 1905 over 1904, \$40,336,223; in 1906 over 1905, \$17,903,836. The rate of increase has been much heavier during the last two years.

Against all this, against all waste of public moneys through extravagant or unnecessary appropriations, the Democratic party has uniformly protested and such misuse of public money is against traditional Democratic record and teaching. The theory of the Democratic party is now, as it has always been, that the Government's right to impose taxation upon its citizens

is limited, strictly and constitutionally, to the needful expenses of the Government frugally administered. A government has no greater right to tax the citizens whom it serves for unnecessary expenditure under guise of needful appropriation than a private citizen has to take money from the pocket of another individual. All expenditures of government fall ultimately upon those whose labor and industry produce value, not upon those who are charged with the distribution of public moneys.

At a time like the present, when the pinching touch of financial stringency is making itself known in many homes, in many workshops, in many offices, and throughout the country generally, it is well for thoughtful men to recur to the immutable and long-recognized rules of governmental power which had their origin in the establishment of the Government of the United States and of which the Democratic party, the great conservative force in the nation, has always been the champion and protector. These rules limit the power of the General Government to Federal needs only and establish a theory of local government which has never been and never can be departed from with safety. Recurring panics, recurring financial disturbances, recurring demands for a revision of the currency law serve to make clearer the fact that any departure from the Democratic rule of local self-government, however successful it may be for a time, is fraught ultimately with great danger to the people.

The Democratic theory takes away governmental control from central points and distributes it to the various localities most interested in its wise and lawful exercise. It keeps at every man's home the greatest share of the political power that concerns him individually. It yields it to the remoter legislative bodies in diminishing proportions as they recede from the direct influence and action of the people. The principle of self-government is not the idea that the people in their collective capacity are endowed with wisdom, patriotism, and virtue superior to their individual characters. The people, as a society, are as virtuous or as vicious, as intelligent or as ignorant, as brave or as cowardly, as the persons who compose it. The great theory of local self-government under which our country has expanded over a continent and has extended its sovereignty over other lands is founded on these propositions.

That government is most wise which is in the hands of those best informed about the particular questions on which they legislate; most economical and honest when controlled by those most interested in preserving frugality in expenditure; most strong when it only exercises authority which is beneficial in its action. These are obvious truths, but they are the foundation of the Democratic theory of patriotic American government. The legislation which most affects us is local legislation. The good order of society, the protection of property, the promotion of intelligence, the enforcement of statutes, or the upholding of moral restraints mainly depend upon the virtue and wisdom of the inhabitants of the minor civil divisions, not of the big and bustling cities of the country. Upon such questions, as far as they particularly concern themselves, the people are intelligent. The wisest statesmen living and acting at Washington can not understand these affairs, nor can they conduct them as well as the citizens upon the ground. What is true of one town is true of all towns in the United States.

The theory of local self-government is not founded upon any idea that the people are virtuous and intelligent, but it attempts to distribute each particular power to those who have the greatest interest in its wise and faithful exercise. It gives to every township the right to direct its own local affairs, the people of a town being more intelligent about their own affairs than the public of any other locality. In the same way it leaves to every county the legislation that pertains to the county, and to every State the legislation that pertains to the State. Such distribution of political power is founded on the principle that persons most interested in any matter manage it better than wiser men can who are not interested there. Government, like charity, begins at home.

The power to tax the consumer and the producer for the needs of government is limited to the requirements of the Government—that and no more. It is no part of the function of the Federal Government to promote or protect one particular interest any more than it is the right of the Government to discriminate and prejudice another. By degrees the expenditures of the United States Government have been growing in much more rapid ratio than either the population of the country, great as it is, or the resources of the country, vast as they are. In times of financial difficulty the Democratic party renews its admonition, made so many times before, that the Government, like an individual, should live always within its means, and not be pledging the people's substance of the day under the hope of capitalizing the shadow of their prosperity to-morrow.

I represent, sir, a constituency made up almost exclusively of producers, of those who either on the farm or in the mill, in the mines or in the workshop, contribute unceasingly their toil to the great stream of prosperity which makes this country pre-eminent among the nations of earth to-day. But no amount of labor or industry can permanently be made useful and productive if the established rules of economic science as to governmental expenditure are disregarded, and if the Federal Government itself is permitted to encroach upon the rights of the States and of the various localities. There is no highroad to governmental finance which discards the ordinary teaching of the past in this country or elsewhere. It is the farmer more than anyone else who has reason to be most deeply interested in the question of taxation. The gains of the farmer, which are the profits of husbandry and which are due as much to fertile fields and smiling skies as well as to his own labor comes slowly and often with great difficulty.

No fortunate speculations, no favoring turns of the markets, and no speculative hazards fill his little treasury or replete his private store. It is his toil, patient, continuous, and often poorly rewarded, which enables him to meet the requirements of his farm, the care for his family, and to provide for the inevitable to-morrow. If the Government does not foster and help him, it can at least refrain from imposing upon his shoulders unnecessary and wasteful taxation, and the protest of the farmers of the United States is beginning to be heard in opposition to a course which has at times of great public prosperity made no provision for the lean and slender days of reaction which may follow. Industry may languish, production may diminish, the number of the unemployed may enlarge, but the expenses of the Federal Government under Republican rule are penses of the Federal Government under Republican rule are going on at full head, without any suggestion of diminution and without any regard for those whose labor must pay the bill.

It is time that a halt was called upon such expenditures and that the badge of distinction which within the past ten years has been the extent to which public money has been used should become henceforth due to the extent to which the Public Treasury is protected against the forays made upon it, either under pretext of protecting certain interests or of establishing new policies without warrant of the people's authorization or support.

Next year the people of the United States will pass upon the record of the Republican party in its use of public moneys, and the Democratic party, true to its uniform record of frugality under the Constitution, welcomes the challenge which that appeal invites.

The CHAIRMAN. The gentleman from Tennessee yields ten minutes to the gentleman from Texas [Mr. HENRY].

Mr. HENRY of Texas. Mr. Chairman, the other day the distinguished gentleman from Pennsylvania [Mr. DALZELL] spoke very entertainingly on the subject of the tariff. Of course in the limited time accorded to me I have not risen for the purpose of endeavoring to reply to the remarks made by the gentleman on that occasion. I listened most attentively to every word he uttered and failed to learn wherein any of the thousands of idle workmen in this country now walking the streets of the cities seeking employment could draw any consolation from the gentleman's speech. He spoke of the unanimity existing in Republican ranks. He spoke of the harmony pervading the Republican Administration, all the way from the Chief Executive down to the lowest office held by any Republican in this Administration. He had much to say of the harmony existing between the President, the Senate, and the House of Representatives, and lauded in the very highest degree the Chief Executive.

Mr. Chairman, to show that the harmony is not shared in by all of the Republicans in high places, I wish to have read a part of an interview given out by the Republican Senator from Kentucky, recently elected by the legislature of that State, and ask that the Clerk read that part which I have marked.

The CHAIRMAN. Without objection, the Clerk will read.

There was no objection.

The Clerk read as follows:

He says the Republicans will have no walk-over in the Presidential contest, and that Taft's nomination would by no means make certain his election. Mr. Bradley says:

"With the labor unions and negroes against him, it is exceedingly doubtful whether Taft could carry the States of Ohio, Illinois, Indiana, New Jersey, New York, and possibly others. There can be no hope of carrying Kentucky, West Virginia, or Maryland. He will not get the electoral vote of any of the extreme Southern States."

Mr. HENRY of Texas. Mr. Chairman, I have another statement found in the Washington Post, which appeared on the 2d day of March. It will be remembered, not only by the House, but by the whole country, that the President has sent two messages to this Congress and has urged the Republican

party, his party, to enact certain legislation, and up to the present time not a single measure recommended by him has been enacted by the Republicans of this body. That does not indicate very much harmony between the powers that be here on this floor and the Chief Executive of the United States; and to illustrate how the President is feeling on the subject of harmony, I send to the Clerk's desk and ask that the statement be read, headlines and all.

The CHAIRMAN. Without objection, the paper will be read.

There was no objection.

The Clerk read as follows:

PRESIDENT DEMANDS LAWS—WILL NOT PERMIT CONGRESS TO ADJOURN WITHOUT DOING WORK—SQUARE BREAK WITH MR. ROOSEVELT PREDICTED IF LEGISLATIVE PROGRAMME IS NOT CARRIED OUT.

NEW YORK, March 2, 1908.

A Washington dispatch to the Times says:

"The cheerful inactivity which has prevailed at the Capitol for the last two weeks will not be permitted to continue much longer. Congress is going to wake up pretty soon; and if it is not roused of its own volition, something will happen in its neighborhood not at all conducive to somnolence.

"It has been remarked widely recently that the President seems in a fair way to lose his entire legislative programme for this session. The 'reactionaries' were having things their own way, and it was to be a do-nothing session, despite the numerous and strenuous recommendations in the two messages.

"But it turns out that the President is still to be reckoned with and that he has no notion of permitting Congress to go home without enacting at least some of the measures he has asked for. If it does adjourn with only the appropriation bills to its credit, it will be at the cost of a square break with the President, and the country will have a chance to decide between them.

"Mr. Roosevelt will not hesitate to start the back-firing process, and there will be trouble for a good many men who now see their way clear to reelection. The President has been taking stock on his own account, and he is convinced that his policies are just as popular as ever throughout the country, if not more so.

"He has had reliable information recently that demonstrates an extraordinary situation. This was indicated by a poll taken by a New York magazine, which sent letters to 12,000 of its subscribers, asking their preference for President. These subscribers represent all conditions of men of all shades of political opinion, and they are scattered all over the country, representing every Congressional district. Answers were received from all but about 600, and 90 per cent of those who replied were for Roosevelt.

"With such a situation behind him the President is determined that Congress shall either act on his recommendations for a new employers' liability law, for amendment of the Sherman antitrust law, and for a law governing the issue of securities by interstate corporations or face the consequences at home.

"The first of these measures is now in the hands of the Senate Judiciary Committee, in the shape of the Knox employers' liability bill. The other two bills are in process of construction, with friends of the President busily engaged in perfecting them. When they are completed they will be introduced in the Senate, and then the circus will begin.

"Those Congressmen who are figuring on an early adjournment and making preparations to get away about May 1 will find that they have some work to do before they leave Washington which they have not been planning on. The appropriation bills are in the usual long-session state of backwardness, but when it makes up its mind to work Congress has demonstrated that it can spend money at an amazing rate. It will not be in the money bills that cause for delay is found, but in the Sherman-law amendments, and in the securities law there is a fine field for constitutional discussion, as there was in the Hepburn rate law, and that is the prospect that is now open before the statesman who are so anxious to get home to look after their political fences."

Mr. HENRY of Texas. Mr. Chairman, again referring to the harmony mentioned by the gentleman from Pennsylvania [Mr. DALZELL], I will conclude my remarks by predicting that although the President has recommended the passage of a number of measures to this Congress, when we adjourn we will have passed the appropriation bills, and not a single law that has been recommended by the Chief Executive to his party, which controls all legislation, will be given to the country for the relief of the people who are suffering for the lack of legislation on the subjects indicated. [Applause on the Democratic side.]

Mr. OVERSTREET. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. OLMSTED, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 18347, the post-office appropriation bill, and had come to no resolution thereon.

LOSS OF LIFE IN CLEVELAND, OHIO.

Mr. HARDING. Mr. Speaker, I ask unanimous consent for the present consideration of the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

Whereas information has reached the House of Representatives of the United States that scores of children to-day lost their lives in the burning of a schoolhouse in Cleveland, Ohio: Be it

Resolved, That the sympathy of the House of Representatives be, and is hereby, extended to the bereaved city of Cleveland and the sorrowing homes of that city.

The SPEAKER. Is there objection?

There was no objection.

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

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

REGULATION OF TERMS OF FEDERAL COURTS IN EASTERN DISTRICT OF TEXAS.

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 16874) to amend section 13 of an act entitled "An act to divide the State of Texas into four judicial districts," approved March 11, 1902, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That section 13 of an act entitled "An act to divide the State of Texas into four judicial districts," approved March 11, 1902, be, and the same is hereby, amended to read as follows, this amendment becoming operative on and after June 1, 1908:

"Sec. 13. That the United States circuit and district courts for the eastern district of Texas shall be held in each year at the times and places, as follows:

"At Tyler, in the county of Smith, on the fourth Monday of January and the fourth Monday of April.

"At Jefferson, in the county of Marion, on the first Monday of October and the third Monday of February.

"At Beaumont, in the county of Jefferson, on the third Monday of November and the first Monday of April.

"At Sherman, in the county of Grayson, on the first Monday of January and the third Monday of May.

"At Paris, in the county of Lamar, on the first Monday of March and the third Monday of October.

"At Texarkana, in the county of Bowie, on the third Monday of March and the first Monday of November."

The SPEAKER. Is there objection?

Mr. PAYNE. Reserving the right to object, Mr. Speaker, I understand that in this bill there are no new subdivisions and no new places for holding court. It is simply a rearrangement of the time.

Mr. SHEPPARD. It creates no new places; simply rearranges the time.

The SPEAKER. The Chair hears no objection. The question is on the engrossment and third reading of the bill.

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

On motion of Mr. SHEPPARD, a motion to reconsider the vote by which the bill was passed was laid upon the table.

EULOGIES ON THE LATE HON. GEORGE W. SMITH.

Mr. THISTLEWOOD. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk and ask to have read.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Resolved, That the House of Representatives shall meet at 12 m. on Sunday, April 19, 1908, for the purpose of having eulogies upon the life, character, and public services of the Hon. GEORGE W. SMITH, late a Representative in Congress from the Twenty-fifth District in Illinois.

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

The resolution was agreed to.

ENROLLED BILLS SIGNED.

Mr. WILSON of Illinois, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 15247. An act to authorize the Idaho and Northwestern Railway Company to construct a bridge across the Spokane River near the city of Coeur d'Alene, Idaho;

H. R. 3923. An act to fix the limitation applicable in certain cases; and

H. R. 6195. An act to authorize A. J. Smith and his associates to erect a dam across the Choctawhatchee River in Dale County, Ala.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 5255. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the civil war, and to widows and dependent relatives of such soldiers and sailors;

S. 4376. An act granting pensions and increase of pensions to certain soldiers and sailors of the civil war and certain widows of such soldiers and sailors; and

S. 5110. An act granting pensions and increase of pensions to certain soldiers and sailors of the civil war and certain widows and dependent children of such soldiers and sailors.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. WILSON of Illinois, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bills:

H. R. 17220. An act to amend an act entitled "An act to au-

thorize the Fayette Bridge Company to construct a bridge over the Monongahela River, Pennsylvania, from a point in the borough of Brownsville, Fayette County, to a point in the borough of West Brownsville, Washington County," approved April 23, 1906;

H. R. 17422. An act to authorize the counties of Henry and Rock Island, in the State of Illinois, to construct a bridge across Rock River at or near Colona Ferry, in said State;

H. R. 4777. An act restricting in certain cases the right of appeal to the Supreme Court in habeas corpus proceedings; and

H. R. 17524. An act to provide for circuit and district courts of the United States at Dothan, Ala.

SENATE BILLS AND RESOLUTION REFERRED.

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

S. 2210. An act to increase the salary of the United States district judge for Porto Rico—to the Committee on Insular Affairs.

S. 4549. An act to authorize the Secretary of the Interior to issue patent in fee simple for certain lands of the Santee Reservation, in Nebraska, to the directors of school district No. 36, in Knox County, Nebr.—to the Committee on Indian Affairs.

S. 650. An act to extend the special leave privileges authorized for officers of the Military Academy by section 1330, Revised Statutes, to certain instructors and student officers at service schools—to the Committee on Military Affairs.

S. 3202. An act to authorize patents to Santee Indians—to the Committee on Indian Affairs.

S. 2948. An act to provide additional station grounds and terminal facilities for the Arizona and California Railway Company in the Colorado River Indian Reservation, Ariz.—to the Committee on Indian Affairs.

S. 5253. An act to establish a fish-cultural station in the State of Wisconsin—to the Committee on the Merchant Marine and Fisheries.

S. 2995. An act to provide for the extension of Kenyon street from Seventeenth street to Mount Pleasant street and for the extension of Seventeenth street from Kenyon street to Irving street, in the District of Columbia, and for other purposes—to the Committee on the District of Columbia.

S. 31. An act authorizing the extension of Oak street NW.—to the Committee on the District of Columbia.

S. 4118. An act in relation to business streets in the District of Columbia—to the Committee on the District of Columbia.

S. R. 24. Joint resolution directing the Interstate Commerce Commission to investigate and report on facing point switches and the appliances for the automatic control of such switches—to the Committee on Interstate and Foreign Commerce.

S. 4916. An act authorizing the Secretary of the Interior to issue patent in fee to the board of missions of the Protestant Episcopal Church for certain lands situated in the State of Idaho—to the Committee on Public Buildings and Grounds.

S. 213. An act for the relief of S. R. Green—to the Committee on Claims.

S. 33. An act to provide a public park on Georgetown Heights, in the District of Columbia—to the Committee on Public Buildings and Grounds.

S. 4196. An act to provide for the enlargement and improvement of the public building at Elgin, Ill.—to the Committee on Public Buildings and Grounds.

S. 5341. An act to authorize the enlargement, improvement, and equipment of the light-house depot at Yerba Buena Island, California—to the Committee on Interstate and Foreign Commerce.

S. 1204. An act for the relief of J. M. Bloom—to the Committee on Claims.

S. 1751. An act to reimburse Anna B. Moore, late postmaster at Rhyolite, Nev., for money expended for clerical assistance—to the Committee on Claims.

S. 1752. An act to reimburse Garrett R. Bradley, late postmaster at Tonopah, Nev., for money expended for clerical assistance—to the Committee on Claims.

S. 3548. An act for the relief of James A. Russell—to the Committee on War Claims.

S. 212. An act to reimburse S. R. Green, postmaster of Oregon City, Oreg., for moneys lost by burglary—to the Committee on Claims.

S. 5212. An act to authorize the Secretary of the Interior to convey by fee-simple patent certain lands in the Otoe and Mis-souria Reservation, Okla., to the Society of Friends—to the Committee on Indian Affairs.

S. 4469. An act for the erection of a memorial to John Wesley Powell—to the Committee on the Library.

S. 1073. An act to authorize the extension and enlargement of the post-office building in the city of Beatrice, Nebr.—to the Committee on Public Buildings and Grounds.

S. 2317. An act for the erection of a public building at Appleton, Wis.—to the Committee on Public Buildings and Grounds.

S. 5709. An act for extending, repairing, and improving the public building at Fort Dodge, Iowa—to the Committee on Public Buildings and Grounds.

S. 5349. An act for the relief of Madison County, Ky.—to the Committee on Claims.

S. 4833. An act to provide for the purchase of a site and the erection of a public building thereon at Le Mars, Iowa—to the Committee on Public Buildings and Grounds.

S. 4832. An act to provide for the erection of a public building at Ottumwa, Iowa—to the Committee on Public Buildings and Grounds.

S. 4801. An act granting certain lands in the Wind River Reservation, in Wyoming, to the Protestant Episcopal Church—to the Committee on Indian Affairs.

ADJOURNMENT.

Mr. OVERSTREET. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and, accordingly (at 4 o'clock and 52 minutes p. m.), the House adjourned.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the Secretary of Agriculture, transmitting a statement of payments to officers of State, county, and municipal governments for services in enforcing the pure-food law, was taken from the Speaker's table, referred to the Committee on Expenditures in the Department of Agriculture, and ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House as follows:

Mr. BUTLER, from the Committee on Naval Affairs, to which was referred the joint resolution of the House (H. J. Res. 134) for the relief of Archibald G. Stirling, recently midshipman, United States Navy, reported the same with amendment, accompanied by a report (No. 1147), which said resolution and report were referred to the Private Calendar.

Mr. SMITH of Arizona, from the Committee on the Public Lands, to which was referred the bill of the House (H. R. 17277) for the relief of George S. Patten, of Williams, Coconino County, Ariz., reported the same with amendment, accompanied by a report (No. 1148), which said bill and report were referred to the Private Calendar.

Mr. RICHARDSON, from the Committee on Pensions, to which was referred the bill of the House (H. R. 2395) granting an increase of pension to Frank Z. Curry, reported the same with amendment, accompanied by a report (No. 1149), which said bill and report were referred to the Private Calendar.

Mr. KENNEDY of Iowa, from the Committee on Pensions, to which was referred the bill of the House (H. R. 4226) granting a pension to Harry Orendorff, reported the same with amendments, accompanied by a report (No. 1150), which said bill and report were referred to the Private Calendar.

Mr. RICHARDSON, from the Committee on Pensions, to which was referred the bill of the House (H. R. 4326) granting an increase of pension to James Barbour, reported the same with amendments, accompanied by a report (No. 1151), which said bill and report were referred to the Private Calendar.

Mr. McLAIN, from the Committee on Pensions, to which was referred the bill of the House (H. R. 6543) granting an increase of pension to Margaret C. Storts, reported the same with amendments, accompanied by a report (No. 1152), which said bill and report were referred to the Private Calendar.

Mr. AIKEN, from the Committee on Pensions, to which was referred the bill of the House (H. R. 7741) granting an increase of pension to Louisa E. Price, reported the same with amendment, accompanied by a report (No. 1153), which said bill and report were referred to the Private Calendar.

Mr. BENNETT of Kentucky, from the Committee on Pensions, to which was referred the bill of the House (H. R. 10837) granting a pension to Maggie Z. Tarter, reported the same with amendments, accompanied by a report (No. 1154), which said bill and report were referred to the Private Calendar.

Mr. AMES, from the Committee on Pensions, to which was referred the bill of the House (H. R. 10938) granting an increase

of pension to Samuel A. Burt, reported the same with amendments, accompanied by a report (No. 1155), which said bill and report were referred to the Private Calendar.

Mr. LANING, from the Committee on Pensions, to which was referred the bill of the House (H. R. 11457) granting a pension to Noble Saxton, reported the same with amendments, accompanied by a report (No. 1156), which said bill and report were referred to the Private Calendar.

Mr. BARCLAY, from the Committee on Pensions, to which was referred the bill of the House (H. R. 11464) granting a pension to Anna Borkowski, reported the same with amendments, accompanied by a report (No. 1157), which said bill and report were referred to the Private Calendar.

Mr. AIKEN, from the Committee on Pensions, to which was referred the bill of the House (H. R. 14341) granting an increase of pension to Mary Hutchinson, reported the same with amendment, accompanied by a report (No. 1158), which said bill and report were referred to the Private Calendar.

Mr. BENNETT of Kentucky, from the Committee on Pensions, to which was referred the bill of the House (H. R. 14680) granting a pension to Elizabeth Norton, reported the same with amendments, accompanied by a report (No. 1159), which said bill and report were referred to the Private Calendar.

Mr. HULL of Tennessee, from the Committee on Pensions, to which was referred the bill of the House (H. R. 15019) granting an increase of pension to W. H. Jones, reported the same with amendments, accompanied by a report (No. 1160), which said bill and report were referred to the Private Calendar.

Mr. FOSTER of Illinois, from the Committee on Pensions, to which was referred the bill of the House (H. R. 15547) granting a pension to Alexander Iuan, reported the same without amendment, accompanied by a report (No. 1161), which said bill and report were referred to the Private Calendar.

Also, from the same committee, to which was referred the bill of the House (H. R. 15605) granting an increase of pension to Dinah E. Sprague, reported the same with amendments, accompanied by a report (No. 1162), which said bill and report were referred to the Private Calendar.

Mr. BARCLAY, from the Committee on Pensions, to which was referred the bill of the House (H. R. 15958) granting an increase of pension to Addie W. Farquhar, reported the same with amendments, accompanied by a report (No. 1163), which said bill and report were referred to the Private Calendar.

Mr. HULL of Tennessee, from the Committee on Pensions, to which was referred the bill of the House (H. R. 16028) granting an increase of pension to America Bruce, reported the same with amendments, accompanied by a report (No. 1164), which said bill and report were referred to the Private Calendar.

Mr. BENNETT of Kentucky, from the Committee on Pensions, to which was referred the bill of the House (H. R. 17331) granting an increase of pension to John Mogg, reported the same with amendments, accompanied by a report (No. 1165), which said bill and report were referred to the Private Calendar.

Mr. FOSTER of Illinois, from the Committee on Pensions, to which was referred the bill of the House (H. R. 18029) granting an increase of pension to James Kilby, sr., reported the same with amendments, accompanied by a report (No. 1166), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of bills of the following titles, which were thereupon referred as follows:

A bill (H. R. 2674) granting a pension to Margaret Tayes, née Ellis—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 5279) granting a pension to Marcus A. Moses—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 17736) granting a pension to Clarence F. Moore—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 17113) granting a pension to John J. James—Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. HAY: A bill (H. R. 18689) to authorize the Secretary

of War to furnish two condemned brass or bronze cannon and cannon balls to the city of Winchester, Va.—to the Committee on Military Affairs.

By Mr. SMITH of Texas: A bill (H. R. 18690) to enlarge the powers of the Interstate Commerce Commission, and to further regulate common carriers engaged in interstate and foreign commerce—to the Committee on Interstate and Foreign Commerce.

By Mr. McDERMOTT: A bill (H. R. 18691) making the 12th day of October of each year a national holiday and designated "Discovery Day"—to the Committee on the Judiciary.

By Mr. OLMSTED: A bill (H. R. 18692) granting to the borough of Carlisle, Pa., the right of way for a sewer pipe through and under lands owned by the United States and used in connection with the United States Indian Industrial School—to the Committee on Indian Affairs.

By Mr. GREENE: A bill (H. R. 18693) for a United States post-office building and the purchase of a site for same at New Bedford, Bristol County, Mass.—to the Committee on Public Buildings and Grounds.

By Mr. MANN: A bill (H. R. 18694) relating to the use, control, and ownership of lands in the Canal Zone, Isthmus of Panama—to the Committee on Interstate and Foreign Commerce.

By Mr. RANDELL of Louisiana: A bill (H. R. 18695) to protect the banks of the Mississippi River in front of the city of New Orleans, La.—to the Committee on Levees and Improvements of the Mississippi River.

By Mr. GOULDEN: A bill (H. R. 18696) to amend an act entitled "An act to facilitate the collection of commercial statistics required by section 2 of the river and harbor appropriation acts of 1866 and 1867," approved February 21, 1891—to the Committee on Rivers and Harbors.

By Mr. FULTON: A bill (H. R. 18697) to authorize the Secretary of the Interior to sell 640 acres of land of the Cheyenne and Arapaho Agency and Arapaho School in Oklahoma, and for the use of the proceeds thereof—to the Committee on Indian Affairs.

By Mr. DUNWELL: A bill (H. R. 18698) making it a misdemeanor for any other person than those to whom Congressional medals of honor are awarded by proper authority to wear such medal or any ribbon or other insignia thereof, or to personate such medal-of-honor man or in any manner represent himself to be such—to the Committee on Military Affairs.

By Mr. WILLIAMS: A bill (H. R. 18699) authorizing a survey of Pearl River, Mississippi—to the Committee on Rivers and Harbors.

By Mr. THOMAS of North Carolina: A bill (H. R. 18700) to provide for terms of the United States district and circuit courts at Goldsboro, N. C.—to the Committee on the Judiciary.

By Mr. FOSTER of Illinois: A bill (H. R. 18701) providing for the retirement of certain officers of the Navy—to the Committee on Military Affairs.

By Mr. BENNET of New York: A bill (H. R. 18702) authorizing the extension of P, Volta, Q, and Dent streets NW.—to the Committee on the District of Columbia.

By Mr. WILSON of Illinois: A bill (H. R. 18703) providing for the purchase of a site and the erection of a public building thereon at Chicago Heights, in the State of Illinois—to the Committee on Public Buildings and Grounds.

By Mr. VREELAND: A bill (H. R. 18704) to establish a fish-culture station in the State of New York—to the Committee on the Merchant Marine and Fisheries.

By Mr. SMITH of Michigan: A bill (H. R. 18705) authorizing the extension of Massachusetts avenue from Wisconsin avenue to the District line, and for other purposes—to the Committee on the District of Columbia.

By Mr. FOSS: A bill (H. R. 18706) increasing the limit of cost of a public building at Waukegan, Ill.—to the Committee on Public Buildings and Grounds.

By Mr. LOVERING: Joint resolution (H. J. Res. 149) proposing an amendment to the act of March 2, 1907, making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes—to the Committee on Rivers and Harbors.

By Mr. PAYNE: Resolution (H. Res. 279) for a janitor to the Committee on Ways and Means—to the Committee on Accounts.

By Mr. CURRIER: Resolution (H. Res. 280) providing for an additional messenger in charge of telephones on the floor of the House—to the Committee on Accounts.

By Mr. SULZER: Memorial of the legislature of Illinois, recommending the creation of a volunteer retired list of the officers of the late civil war—to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 18707) granting a pension to Elizabeth Grave—to the Committee on Invalid Pensions.

By Mr. BURKE: A bill (H. R. 18708) to reimburse Mary W. Douthett for United States bonds and coupons owned by her and destroyed by fire—to the Committee on Claims.

By Mr. BYRD: A bill (H. R. 18709) to indemnify Clarke County, Miss., in the sum of \$40,000, for the court-house records and other property destroyed by the Federal troops during the late civil war—to the Committee on War Claims.

Also, a bill (H. R. 18710) for the relief of the estate of Francis Mayerhoff—to the Committee on Claims.

By Mr. CALDERHEAD: A bill (H. R. 18711) granting an increase of pension to William Quinn—to the Committee on Invalid Pensions.

By Mr. CAPRON: A bill (H. R. 18712) granting an increase of pension to James H. Rickard—to the Committee on Invalid Pensions.

By Mr. CARTER: A bill (H. R. 18713) granting an increase of pension to Benjamin W. Patterson—to the Committee on Invalid Pensions.

By Mr. COOK of Colorado: A bill (H. R. 18714) granting an increase of pension to Charles W. Eaton—to the Committee on Invalid Pensions.

By Mr. COUDREY: A bill (H. R. 18715) granting a pension to Edward Taussig—to the Committee on Invalid Pensions.

By Mr. CAULFIELD: A bill (H. R. 18716) for the relief of the estate of Joseph Kulage, deceased, late of St. Louis, Mo.—to the Committee on War Claims.

By Mr. DIEKEMA: A bill (H. R. 18717) for the relief of Alvah Clement—to the Committee on Military Affairs.

Also, a bill (H. R. 18718) granting a pension to Harriet Balou—to the Committee on Invalid Pensions.

By Mr. BEALE of Pennsylvania: A bill (H. R. 18719) granting an increase of pension to Thomas Gatings—to the Committee on Invalid Pensions.

By Mr. ELLIS of Oregon: A bill (H. R. 18720) granting a pension to Eliza J. Scott—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18721) granting an increase of pension to James P. Testerman—to the Committee on Invalid Pensions.

By Mr. FOCHT: A bill (H. R. 18722) granting an increase of pension to J. H. Condon—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18723) granting a pension to Carrie Bocher—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18724) granting an increase of pension to James K. Snyder—to the Committee on Invalid Pensions.

By Mr. FORDNEY: A bill (H. R. 18725) granting a pension to Eugene H. Hillyer—to the Committee on Invalid Pensions.

By Mr. GREGG: A bill (H. R. 18726) for the relief of Wyatt O. Selkirk—to the Committee on Military Affairs.

By Mr. HACKETT: A bill (H. R. 18727) granting an increase of pension to Thomas B. Handy—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18728) granting an increase of pension to William A. Moore—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18729) to correct the military record of Gilomiel L. Smoot—to the Committee on Military Affairs.

Also, a bill (H. R. 18730) for the relief of J. B. Johnston, administrator of John D. Johnston—to the Committee on War Claims.

By Mr. HACKNEY: A bill (H. R. 18731) for the relief of Washington L. Regan—to the Committee on Military Affairs.

Also, a bill (H. R. 18732) granting a pension to George W. Britain—to the Committee on Pensions.

By Mr. JOHNSON of Kentucky: A bill (H. R. 18733) for the relief of the heirs of G. W. Upton, deceased—to the Committee on War Claims.

By Mr. LAFEAN: A bill (H. R. 18734) for the relief of Edward Livingston Keyes—to the Committee on Military Affairs.

By Mr. LANGLEY: A bill (H. R. 18735) for the relief of the legal representatives of Adam Baum—to the Committee on War Claims.

Also, a bill (H. R. 18736) to correct the military record of Henry Ritchie—to the Committee on Military Affairs.

By Mr. LAW: A bill (H. R. 18737) for the relief of the widow of the late Capt. Henry B. Noble, retired, Eighth Infantry, United States Army—to the Committee on War Claims.

By Mr. LILLEY: A bill (H. R. 18738) granting an increase of pension to William J. Wilson—to the Committee on Invalid Pensions.

By Mr. MANN: A bill (H. R. 18739) granting a pension to Malcolm H. Browning—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18740) granting an increase of pension to O. B. Shine—to the Committee on Invalid Pensions.

By Mr. PETERS: A bill (H. R. 18741) granting an increase of pension to Alfred L. S. Morand—to the Committee on Invalid Pensions.

By Mr. RICHARDSON: A bill (H. R. 18742) for the relief of Henry C. Haynes—to the Committee on Military Affairs.

By Mr. ROTHERMEL: A bill (H. R. 18743) granting an increase of pension to Daniel Knauss—to the Committee on Invalid Pensions.

By Mr. SHERMAN: A bill (H. R. 18744) for the relief of the estate of Mark S. Gorrill—to the Committee on Claims.

By Mr. SLAYDEN: A bill (H. R. 18745) granting an increase of pension to James Parkerson—to the Committee on Pensions.

By Mr. SPARKMAN: A bill (H. R. 18746) granting a pension to Myrtle L. Hart—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18747) for the relief of J. S. Huron—to the Committee on War Claims.

Also, a bill (H. R. 18748) for the relief of George A. Williams—to the Committee on War Claims.

Also, a bill (H. R. 18749) for the relief of the city of Key West, Fla.—to the Committee on War Claims.

By Mr. SPERRY: A bill (H. R. 18750) granting an increase of pension to Harriett N. Nichols—to the Committee on Invalid Pensions.

By Mr. STEENERSON: A bill (H. R. 18751) authorizing a patent to be issued to Walter H. Quist for certain lands therein described—to the Committee on the Public Lands.

By Mr. SULLOWAY: A bill (H. R. 18752) granting a pension to Annie Lynch—to the Committee on Pensions.

By Mr. THISTLEWOOD: A bill (H. R. 18753) granting an increase of pension to Joseph Dickey—to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, the following petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ACHESON: Petition of Trades and Labor Assembly of New Castle, Pa., for battle-ship building in navy-yards—to the Committee on Naval Affairs.

By Mr. ALEXANDER of Missouri: Papers to accompany bills for relief of Catherine J. Thomas and Reuben Duskill—to the Committee on Invalid Pensions.

By Mr. ALEXANDER of New York: Petition of Brotherhood of Railway Trainmen, for the La Follett-Sterling employers' liability bill (S. 5307, H. R. 17036)—to the Committee on the Judiciary.

Also, petition of Buffalo Lodge, No. 187, Brotherhood of Railway Trainmen, for H. R. 17137—to the Committee on the Judiciary.

By Mr. ANSBERRY: Joint memorial of legislature of Ohio, for a volunteer officers' retired list—to the Committee on Military Affairs.

By Mr. ASHBROOK: Petition of Licking Valley Grange, No. 1511, for a national highway commission—to the Committee on Agriculture.

By Mr. BATES: Petition of L. Conreux, of Frenchtown, Pa., against amendment to postal laws giving Postmaster-General autocratic powers—to the Committee on the Post-Office and Post-Roads.

Also, petition of George P. Ryan, for special law to give ex-prisoners of war adequate pension—to the Committee on Invalid Pensions.

Also, petition of citizens of Erie and Crawford counties, Pa., for S. 3152, making oleomargarine subject to laws of States, Territories, etc.—to the Committee on Agriculture.

Also, petition of A. M. Peebles, of Meadville, Pa., against Penrose bill amending postal laws—to the Committee on the Post-Office and Post-Roads.

By Mr. BRICK: Petition of Lake View Post, Grand Army of the Republic, of Syracuse, Ind., for the Sherwood pension bill—to the Committee on Invalid Pensions.

By Mr. BURKE: Petition of W. H. Story, representing the Brotherhood of Printers, for battle-ship building in navy-yards—to the Committee on Naval Affairs.

Also, petition of Philadelphia Credit Men's Association, for the bankruptcy bill—to the Committee on the Judiciary.

Also, petition of M. J. Mawhinney, against sale of liquor in all Government buildings—to the Committee on Alcoholic Liquor Traffic.

Also, petition of the Philadelphia Association of Retail Drug-

gists for S. 4700 and H. R. 14639—to the Committee on the Post-Office and Post-Roads.

Also, petition of Western Electric Company, Pittsburg, Pa., for the Fowler currency bill—to the Committee on Banking and Currency.

By Mr. BURLEIGH: Petition of lumber dealers of Connecticut, for forest reservations in White Mountains and southern Appalachian Mountains—to the Committee on Agriculture.

Also, petition of Capital Grange, No. 248, and citizens of Fairfield, Me., for a national highway commission—to the Committee on Agriculture.

By Mr. BYRD: Paper to accompany bill for relief of Clark County, Miss., for destruction of the court-house in late civil war—to the Committee on War Claims.

By Mr. CALDER: Paper to accompany bill for relief of Henrietta V. Miller (previously referred to the Committee on Invalid Pensions)—to the Committee on Pensions.

Also, petition of Robert Schafges and others, for modification of criminal laws—to the Committee on the Judiciary.

Also, petition of Walter Arfenann, for salary advance of certain numbered post-office stations—to the Committee on the Post-Office and Post-Roads.

By Mr. CAPRON: Memorial of town council of New Shoreham, R. I., and town council of Narragansett, R. I., for increasing efficiency of the Life-Saving Service—to the Committee on Interstate and Foreign Commerce.

Also, petition of Gen. Elisha H. Rhodes and 31 other volunteer officers of the civil war, for a volunteer officers' retired list—to the Committee on Military Affairs.

Also, papers to accompany bills for relief of James Cavanaugh and James H. Pickard—to the Committee on Invalid Pensions.

Also, petition of Cumberland Grange, No. 2, Patrons of Husbandry, of Rhode Island, for a national highway commission—to the Committee on Appropriations.

By Mr. CLARK of Florida: Paper to accompany bill for relief of John B. Wood—to the Committee on Invalid Pensions.

By Mr. COCKRAN: Petition of North Side Board of Trade, urging annual appropriation bill for rivers and harbors—to the Committee on Rivers and Harbors.

By Mr. COOK of Pennsylvania: Petition of Philadelphia Association of Retail Druggists, for S. 4700 (Rayner bill) and H. R. 14639 (Bennet bill)—to the Committee on the Post-Office and Post-Roads.

Also, petition of Philadelphia Credit Men's Association, for the present bankruptcy bill—to the Committee on the Judiciary.

By Mr. COUDREY: Petition of Southwestern Lumbermen's Association, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. DALZELL: Petition of Dr. S. P. Myers, of McKeesport, Pa., against shipment of liquor into prohibition States—to the Committee on the Judiciary.

Also, memorial of the Allied Agricultural Organization of Pennsylvania, for passage of Davis bill (H. R. 534) teaching agriculture in high schools—to the Committee on Agriculture.

By Mr. DAVIS of Minnesota: Petition of Manufacturers' Bureau of Industry, favoring H. R. 534, relative to agricultural education—to the Committee on Agriculture.

Also, petition of Minneapolis Credit Men's Association, favoring any amendment to improve bankruptcy act—to the Committee on the Judiciary.

By Mr. DUNWELL: Petition of Massachusetts State Federation of Women's Clubs, for forest reservations in White Mountains and southern Appalachian Mountains—to the Committee on Agriculture.

Also, petition of International Stereotypers and Electrotypers' Union No. 1, of New York City, for removal of duty on white paper and wood pulp—to the Committee on Ways and Means.

Also, petition of Manufacturers' Association of New York, for H. R. 31, 225, etc.—to the Committee on Interstate and Foreign Commerce.

Also, petition of Charles H. Burtis Post, No. 185, Department of New York, for battle-ship building in navy-yards—to the Committee on Naval Affairs.

Also, petition of educators of the city of New York, against increase of the Navy—to the Committee on Naval Affairs.

Also, petition of Robert Schafges, for mitigation of the criminal law—to the Committee on the Judiciary.

Also, petition of Merchants' Association of New York, favoring the Fowler currency bill—to the Committee on Banking and Currency.

Also, petition of New York Advertising League, for H. R. 14387, to penalize fraudulent advertising—to the Committee on the District of Columbia.

By Mr. ELLIS of Oregon: Paper to accompany bill for relief of George W. Mathews—to the Committee on Invalid Pensions.

By Mr. FITZGERALD: Petition of Homeopathic Association of Kings County, for H. R. 6089, to amend the pure-food act by recognizing the Homeopathic Pharmacopœia—to the Committee on Interstate and Foreign Commerce.

Also, petition of S. Sternau & Co., against the Aldrich currency bill—to the Committee on Banking and Currency.

By Mr. FOCHT: Paper to accompany bill for relief of J. H. Condon—to the Committee on Invalid Pensions.

By Mr. FULLER: Petition of Seth C. Earl Post, No. 156, Grand Army of the Republic, of Ottawa, Ill., against consolidation of pension agencies—to the Committee on Appropriations.

By Mr. FULTON: Petition of John T. Lehman and others, for H. R. 6100, pensioning all officers and enlisted men of the civil-war service of the United States—to the Committee on Invalid Pensions.

Also, paper to accompany bill for relief of Elias Gibbs—to the Committee on Military Affairs.

By Mr. GAINES of Tennessee: Paper to accompany bill for relief of Clarence F. Moore—to the Committee on Invalid Pensions.

Also, paper to accompany bill for relief of Clarence F. Moore (previously referred to the Committee on Invalid Pensions)—to the Committee on Pensions.

By Mr. GRAHAM: Petition of Philadelphia Association of Retail Druggists, for the Rayner bill (S. 4700) and Bennet bill (H. R. 14639)—to the Committee on the Post-Office and Post-Roads.

Also, petition of Philadelphia Credit Men's Association, favoring present bankruptcy act—to the Committee on the Judiciary.

By Mr. GRONNA: Petition of Musicians' Protective Union of Fargo, N. Dak., for H. R. 103—to the Committee on Labor.

Also, petition of Lodge No. 709, Brotherhood of Railway Trainmen, of Minot, N. Dak., and Lodge No. 657, Brotherhood of Locomotive Firemen and Engineers, of Enderlin, N. Dak., for the La Follette-Sterling employers' liability bill, Clapp free-pass amendment, and for defeat of Knox bill—to the Committee on the Judiciary.

By Mr. HAYES: Petition of steam engineers of San Jose, Cal., for battle-ship building in navy-yards—to the Committee on Naval Affairs.

By Mr. HUFF: Petition of Philadelphia Maritime Exchange, for H. R. 17044, to provide for lading and unlading vessels at night—to the Committee on the Merchant Marine and Fisheries.

Also, petition of Philadelphia Association of Retail Druggists, for increase of pay of superintendents of post-office contract stations (S. 4700, Rayner bill; H. R. 14639, Bennet bill)—to the Committee on the Post-Office and Post-Roads.

Also, petition of Massachusetts State Federation of Women's Clubs, for forest reservations in White Mountains and southern Appalachian Mountains—to the Committee on Agriculture.

By Mr. KELIHER: Petition of forest committee of the Massachusetts State Federation of Women's Clubs, for forest reservations in White Mountains and southern Appalachian Mountains—to the Committee on Agriculture.

By Mr. LAFEAN: Petition of residents of York, Pa., for resolution acknowledging services of the York Rifle Company during late civil war—to the Committee on Military Affairs.

Also, petition of Rural Free-Delivery Carriers' Association, of York County, Pa., for H. R. 10504, for special parcel post in York and Adams counties—to the Committee on the Post-Office and Post-Roads.

By Mr. LEE: Paper to accompany bill for relief of Maryetta Presbyterian Church—to the Committee on War Claims.

By Mr. LILLEY: Paper to accompany bill for relief of William J. Wilson—to the Committee on Invalid Pensions.

By Mr. LITTLEFIELD: Petition of Topsham Grange, No. 37, for national highway commission—to the Committee on Agriculture.

By Mr. LOUDENSLAGER: Petition of Thorofare Grange, New Jersey, for a national highway commission—to the Committee on Agriculture.

Also, paper to accompany bill for relief of John J. James (previously referred to Committee on Pensions)—to the Committee on Invalid Pensions.

By Mr. MADDEN: Petition of James Black, favoring services of qualified attorneys in presentation and prosecution of pension claims—to the Committee on Invalid Pensions.

By Mr. OVERSTREET: Petition of Henry W. Mickel, Cicero, Ind., against any interstate liquor legislation—to the Committee on the Judiciary.

Also, petition of Nordyke & Marmon Company, for a national highway commission—to the Committee on Agriculture.

By Mr. PAYNE: Paper to accompany bill for relief of Francis N. Thompson—to the Committee on Invalid Pensions.

By Mr. PRATT: Paper to accompany bill for relief of Mary E. Meldrum—to the Committee on Invalid Pensions.

By Mr. RYAN: Petition of Buffalo Lodge, No. 187, Brotherhood of Railway Trainmen, favoring the anti-injunction bill (H. R. 17137)—to the Committee on the Judiciary.

Also, petition of Buffalo Lodge, No. 187, Brotherhood of Railway Trainmen, for the Clapp pass amendment—to the Committee on Interstate and Foreign Commerce.

Also, petition of Buffalo Lodge, No. 187, Brotherhood of Railway Trainmen, favoring passage of employers' liability bill—to the Committee on the Judiciary.

Also, petition of forestry division of Massachusetts Association of Women's Clubs, for forest reservations in White Mountains and southern Appalachian Mountains—to the Committee on Agriculture.

Also, petition of New York branch of the American Federation of Labor, against bill to abolish pilotage on South Atlantic coast—to the Committee on the Merchant Marine and Fisheries.

Also, petition of William H. Maxwell and over 300 other professors and educators of New York City, against increase of the Navy—to the Committee on Naval Affairs.

Also, petition of New York State Bankers' Association, against the Aldrich currency bill—to the Committee on Banking and Currency.

By Mr. SHERWOOD: Petition of citizens of Toledo, Ohio, to cause general investigation of telegraph companies—to the Committee on Interstate and Foreign Commerce.

By Mr. SPERRY: Petition of National Metal Trades Association, New Haven, Conn., branch, against the Gardner eight-hour law—to the Committee on Labor.

By Mr. STERLING: Petition of Illinois Typographical Union, for removal of duty on white paper and wood pulp—to the Committee on Ways and Means.

By Mr. SULZER: Petition of Francis N. Johnston, of Massachusetts State Federation of Women's Clubs, for forest reservations in White Mountains and southern Appalachian Mountains—to the Committee on Agriculture.

Also, petition of George E. Sheldon and others, against legislation extending naturalization rights—to the Committee on Immigration and Naturalization.

Also, petition of M. J. Griffin, for the clause in Kittredge copyright bill beneficial to composers of music (S. 2900; H. R. 11794, Barchfeld bill)—to the Committee on Patents.

Also, joint memorial of both houses of the Ohio legislature, for a volunteer officers' retired list—to the Committee on Military Affairs.

By Mr. TOWNSEND: Petition of Jackson County (Mich.) Medical Society, for pension for widows of Dr. Jesse M. Lazzarre and Dr. James Carrol—to the Committee on Pensions.

Also, petition of Farmers' Club of Norvell, Mich., for a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. WILEY: Petition of Mobile Chamber of Commerce, against joint resolution which would restrict transportation by sea of materials used in construction of the Panama Canal to vessels owned by the United States and Canada (S. 40)—to the Committee on the Merchant Marine and Fisheries.

By Mr. WILLETT: Petition of Lumber Dealers' Association, for forest reservations in White Mountains and southern Appalachian Mountains—to the Committee on Agriculture.

Also, petition of Rochester Credit Men's Association, approving bill amendatory of the bankruptcy law (H. R. 13266)—to the Committee on the Judiciary.

SENATE.

THURSDAY, March 5, 1908.

The Chaplain, Rev. EDWARD E. HALE, offered the following prayer:

For this cause we faint not. But though our outward man is decaying, yet our inward man is renewed day by day.

For we know if the earthly house of our tabernacle be dissolved, we have a building from God, a house not made with hands, eternal in the heavens.

Now he that hath wrought us for this very thing is God, who also hath given to us the earnest of the Spirit.

Even so, Father, Thou art pleased to teach us the lesson of life, even at the moment of death. Thou hast promoted Thy