these States has received the bounty of the Government in the form of land millions, and millions and millions of acres more than she is entitled to if every particle of this bounty land and scrip land had been located according to her own will; and can they claim that the policy which carried the soldier into their territory is a policy which deprives them of all advantages of early settlement and of the better form of population?

The State would prefer the policy to be pursued which would locate the soldier within its limits rather than any other emigrant whatever, and that which has been done wherever these warrants have been actually located. To be sure, in some instances speculators got hold of them, but I am talking about the general drift of the effect has been to put the soldier within the limits of the States which come now and ask for this 5 per cent.

The grants for homesteads, the grants for railroads, given for the benefit of the States, as well as of the nation at large, have been measured in acres; and under all these circumstances, when those States have grown rich and large and plethoric, and can from the heights of their prosperity look down upon the comparatively meager hopes and realizations of the original thirteen, how they can come here and make up their faces and ask of us this little trivial contribution is entirely beyond my comprehension. Here we are as a nation to-day with a bill pending in both Houses of Congress offering to these States, as far as education is concerned, a much larger proportion than this amount.

The State demands $1,000,000 in one bill, $750,000 in another; Mississippi in the same proportion; Louisiana, Arkansas, and so on, all the way around through every one of these States which come here every day and ask to be allowed to have a 5 per cent., upon their taxable lands. We are by bills to-day offering more money out of the national Treasury for the benefit of their schools, notwithstanding the immense school funds which several of them already have, than they will get if they collect their proportion of this 5 per cent.

The State of Iowa, which located about 14,000,000 acres under these land warrants, will recover only $800,000 or $1,000,000 under the provisions of the bill. I should be a little ashamed to come here and ask for that. My friend, the Senator from Iowa, shakes his head. Then, if that does not shame him, I will spend a few nights in reflection on the subject; but I very much doubt whether I shall ever be able to perceive what will.

The bill ought not to be passed. If I have said enough to attract attention to it if I am satisfied. I believe it should be referred to the Committee on Invalid Pensions, and the accompanying report ordered to be printed.

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

Mr. DUNNELL. The bill was agreed to; and the Senate proceeded to the consideration of executive business. After seventeen minutes spent in executive session the doors were reopened, and (at four o'clock and thirty minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

TUESDAY, May 16, 1882.

The House met at eleven o'clock a. m. Prayer by the Chaplain, Rev. D. D. POWER.

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

PENSIONS TO WIDOWS AND CHILDREN.

Mr. PRESCOTT, by unanimous consent, introduced a bill (H. R. No. 6229) to amend section 4760 of the Revised Statutes of the United States as to payments of pensions to widows and children; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

WILLIAM WHEELER HUBBELL.

Mr. WARD, by unanimous consent, introduced a bill (H. R. No. 6230) to determine the rights of William Wheeler Hubbell and the United States, respectively, therein stated; which was read a first and second time, referred to the Committee on Patents, and ordered to be printed.

WILLIAM YAHN.

Mr. DUNNELL, by unanimous consent, introduced a bill (H. R. No. 6231) to ratify the pension of William Yahn; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

A. J. HUNT.

Mr. DUNNELL also, by unanimous consent, introduced a bill (H. R. No. 6232) granting a pension to A. J. Hunt; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

I. N. WALDEN.

Mr. DUNNELL also, by unanimous consent, introduced a bill (H. R. No. 6233) granting an increase of pension to I. N. Walden; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

JEROME DANE.

Mr. DUNNELL also, by unanimous consent, introduced a bill (H. R. No. 6234) to ratify the pension of Jerome Dane; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

LEGALITY OF CERTAIN ACTS OF UNITED STATES OFFICERS.

Mr. TAYLOR, by unanimous consent, from the Committee on the Judiciary, reported, as a substitute for House bill No. 303, a bill (H. R. No. 6235) to correct an alleged abuse by certain officers of the United States; which was read a first and second time, referred to the House Calendar, and, with the accompanying report, ordered to be printed.

LIABILITY OF ACCESSORIES AFTER THE FACT.

Mr. TAYLOR also, from the same committee, by unanimous consent, reported back the bill (H. R. No. 1833) supplementary to and amendatory of sections 5533, 5534, and 5535 of the Revised Statutes, for the trial and punishment of an accessory after the fact when the principal escapes, with an amendment; which was referred to the House Calendar, and, with the accompanying report, ordered to be printed.

BRIBERY OF WITNESSES.

Mr. TAYLOR also, by unanimous consent, from the same committee, reported back the bill (H. R. No. 1694) to punish the bribery of and attempt to bribe a juror, with amendments; which was referred to the House Calendar, and, with the accompanying report, ordered to be printed.

BRIEFLY OF JURORS.

Mr. TAYLOR also, by unanimous consent, from the same committee, reported back the bill (H. R. No. 1695) to punish the bribery of and the acceptance of a bribe by a juror, with amendments; which was referred to the House Calendar, and, with the accompanying report, ordered to be printed.

AMENDMENT OF REVISED STATUTES.

Mr. TAYLOR also, by unanimous consent, from the same committee, reported back the bill (H. R. No. 1696) to amend and correct section 5800 of the Revised Statutes; which was referred to the House Calendar, and the accompanying report ordered to be printed.

TITLE TO CERTAIN LANDS, WASHINGTON, DISTRICT OF COLUMBIA.

Mr. TAYLOR, by unanimous consent, from the Committee on the District of Columbia, reported back the bill (H. R. No. 2492) to quiet the title to certain lands in Washington, District of Columbia; which was referred to the House Calendar, and the accompanying report ordered to be printed.

SUPPRESSION OF GAMING, DISTRICT OF COLUMBIA.

Mr. URNER also, by unanimous consent, from the same committee, reported back the bill (H. R. No. 1294) more effectually to suppress gaming in the District of Columbia; which was referred to the House Calendar, and the accompanying report ordered to be printed.

REVISED STATUTES, DISTRICT OF COLUMBIA.

Mr. URNER also, by unanimous consent, introduced a bill (H. R. No. 1295) to amend certain sections of the Revised Statutes relating to the District of Columbia; which was read a first and second time, referred to the Committee on District of Columbia, and, ordered to be printed.

ROBERT GORTHY AND CALVIN GREEN.

Mr. SPAULDING. I ask unanimous consent to discharge the Committee of the Whole on the Private Calendar from the further consideration of the bill H. R. No. 984, and ask that it be put upon its passage.

The SPEAKER. The bill will be read, after which objection will be asked for.

The bill was read. It is as follows:

Be it enacted, &c., That the Solicitor of the Treasury be authorized and directed to convey, by proper deeds of conveyance, to Robert Gorthy, of Victor, Clinton County, in the State of Michigan, all the interest of the United States in and to the northwest quarter of the northwest quarter and the east half of the northeast quarter of section 17, in township 6 north, of range 1 west, Michigan; and to Calvin Green, of the same place, all the interest of the United States in and to the southwest quarter of the northwest quarter of section 17, and the northeast quarter of the southeast quarter of section 18, in township 6 north, of range 1 west, Michigan; provided, That said Robert Gorthy and Calvin Green, shall pay all the costs of the proceedings in court on the bond of Benjamin Ballard, on which they were sureties.

Mr. McMILLIN. Let the report be read. The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

The Committee on the Judiciary to whom was referred the bill (H. R. No. 844) for the relief of Robert Gorthy and Calvin Green, submit the following report:

The Committee on the Judiciary, to whom was referred the bill (H. R. No. 844) for the relief of Robert Gorthy and Calvin Green, report:

That the committee, after full and careful consideration of said bill, do recommend to the House that it be passed, and that the same, when passed, be referred to the Senate, with the recommendation that it be passed.

The bill was passed, and ordered to be engrossed and sent to the Senate.
EXTENSION OF NATIONAL-BANK CHARTERS.

Mr. CRAPO. I call for the regular order.

The SPEAKER. The regular order. The further consideration of the bill (H. R. No. 4167) to enable national banking associations to extend their corporate existence. The gentleman from New York [Mr. FLOWER] is entitled to the floor, and has four minutes of his bill under the printed list.

Mr. FLOWER. I yield the remainder of my time to my colleague, [Mr. Hewitt]

Mr. W. H. WIT, of New York. I must ask the indulgence of the House for the condition in which I find my voice this morning. I shall not attempt to talk in any higher than a conversational tone, which although I cannot be heard may be, if I can be understood. I do not regret it, for I give notice now that I shall have occasion in the course of my remarks to refer to my old friend from Pennsylvania, [Mr. Kelley], and also to the distinguished gentleman from Iowa, [Mr. Keeler].

When John Quincy Adams, after having served as President of the United States, was returned to this House, where he crowned with honor a career of political service which has placed him in the front rank of American statesmen, he made an entry in his diary to the following effect: "I have sold my stock in the Bank of the United States last it might be supposed that my action in the House might not be influenced by the ownership of bank property." With this illusion example before me, I think it improper to say that I am the owner of no stock in any national bank; that I have never been the owner of such stock, except about a thousand dollars' worth which I once held in trust for a ward. It was not a personal interest. I do feel for borrowed a distinction that I am sure you will not do. I do not object to the bill.

I am therefore probably as free from any complication with any and any obligation to national banks, not only as any man on this floor while I was a man in this capacity. I tell you I am not in the interest of banks. It will be as the representative of a district in which I think there is not located a single national bank. For, although I represent a very large district in the city of New York, it happens to be in that part of the city where people do not operate banks, where they work with their hands. It is in the interest of those who use bank would have given those who so work that I propose to speak today. I suppose there is no man at this day who claims or believes that a country can get along without banks. They are one of the tools of commerce, one of the machines by which the business of the country is carried on. They are the growth of experience, and they have assumed their present shape and form as the result of an experience which has finally culminates in giving to this country by the universal consent of economists and writers upon financial subjects the best banking system that the world has ever seen. I do not think it is perfect. I do not say that at some other time we may not devise a better system; but it is the best yet devised by the ingenuity of man.

As we are to have banks, the only question is whether they shall be national banks or State banks. We have tried the State banks. They were a failure. I think there is no one who can go back as far as the history of financing this country can be traced to the young generation who has studied the history of the past, who would consent on any terms whatever to go back to the State banking system even when the most perfect, as in the State of New York, had the safety-fund system, which provided absolute security for the circulation.

Now, if we would not go back to the State banks and must have banks, are driven to the conclusion that they must be national banks. In regard to these national banks I think there is no controversy at this day except on one point. Even my friend from Missouri [Mr. Randal in the substitute he has offered recognizes the propriety of their continuation as banks of discount and deposit. I think that my other friend from Missouri [Judge BUCHNER] who so long served at the head of the Committee on Banking and Currency makes no criticism on these institutions as banks of discount and deposit. It is only, therefore, on the question of circulation that there is any criticism to be made upon the banks. Now, the circulating medium is in finance what the link between the producer and the consumer. We must keep it in the best possible condition or disease is sure to occur and ruin and death, industrial death, to follow.

For purposes which I have not mentioned. All circulating notes are issued by the direct action of the Government, whether they be its own notes or the notes appropriated to national banks by the annual act of the Treasury. It is in the very heart of the government. It is at par everywhere, and no doubt exists in the mind of any human being, when he gets one of these bills, whether it be a recent note or a national one. Note, that he can get for it in coin one hundred cents on the dollar.

The basis is an issue of Government legal-tender notes. That basis is the 46,000,000 in round numbers. The correspondent expansion in the Bank of England as the rest. There it is £15,000,000, or about $75,000,000, while here it is $346,000,000. The disparity is great, but nevertheless, in view of the great extent of this country, the fact that part of the money employed in this country is not in England or in continental Europe, it seems in practice that the amount of $346,000,000 is a
perfectly safe amount, which we may count upon as staying in circulation, even in the most disastrous times or adverse condition of business, provided a proper redemption fund is maintained in comfort.

I think that this fact might be a certainty, if the whole $346,000,000 of Government notes were issued in bills of small denominations, and the banks restricted to the issue of bills of the denomination of $500 or $1,000, and liable to be called in at any time. The result would be that these bills would rarely be redeemed for circulation. And the amount of these small bills, now about $200,000,000, I am satisfied might be increased to $346,000,000, without any danger, and the circulation of the Government notes would accordingly be presented to the Treasury for redemption. Let me be understood.

I recognize facts as I find them. I would never by vote or act authorize the issue of bills of which the banks would be enabled to be rid of if they could be retired. I do not think that this Government was created for the purpose of supplying circulation. The banks are ready, with adequate security, to wit, the amount which they have on hand, or out of the new bills which they can get for their use, to meet the Government's demand for redemption. And the amount of these small bills, now about $200,000,000, I am satisfied might be increased to $346,000,000, without any danger, and the circulation of the Government notes would accordingly be presented to the Treasury for redemption.

But I have Government paper money, and it now works well in practice. I know that principle is a good thing, but when you have a certain system which works well, it is dangerous to change it. And as I would by no act of mine have contributed to the issue of these legal-tender notes, so now, in view of the present condition of the country, and its adaptation to this system, by no act of mine will I contribute, as at present advised, to their immediate retirement.

I am writing, no matter what the coming decision of the Supreme Court may be as to the legal-tender clause, that the idea that any board composed of men can undertake this task which is beyond the reach of human capacity.

Having thus disposed of the proposition that Congress can regulate the currency or that any special agent appointed by Congress can do it, I come back to the fact that currency we must have, and that the banks are the result of the Constitution intended to prohibit the exercise of any such power.

But, sir, for one, I do not want what little I have laboriously gotten together to be placed at the mercy of any man. I should like to be able to manage my own property, and to keep or give in my own way what I have accumulated. I have accumulated in order to administer the business of this country. There could be but one result of such a system, utter and absolute ruin. I therefore dismiss as impracticable the idea that any board composed of men can undertake this task which is beyond the reach of human capacity.

Having thus disposed of the proposition that Congress can regulate the currency or that any special agent appointed by Congress can do it, I come back to the fact that currency we must have, and that this currency will not be issued unless it be made profitable to the parties who will be the agents to issue it. I shall concede to the banks a few months notes will make a profit; but I say here that banks are not benevolent institutions. They are not governmental agencies except in a very narrow sense. They are organizations of men with capital for the purpose of carrying on a business which is not only lawful, but absolutely necessary to the community. They are not going to conduct this business without profit; it ought not to be asked of them. But if the profits should ever become excessive, the taxing power resides in Congress. There is no difficulty at all in regulating the business and taking to the Government as we now do such portions of these profits as Congress can do it.

But more than that; when a business is free, and when there is no monopoly at all, excessive profits cannot long endure. Only show me a man who is more than twelve per cent. on his business, and I can get rid of some prejudices that I have against banks—which are the result of my early training, and which I regret—I should take my capital out of the iron business and put it where it can make more than my bank. There is no possibility that the profits of this business can for any considerable period of time, except in very abnormal circumstances, exceed those of legitimate business in other directions.

The fact is that these banks, while they have been highly profitable at times, made their money very largely out of the refunding operations. That operation is done and ended; it will not be renewed in our day. On the contrary we should pay off the existing national debt, and never as I hope in our time have occasion to create another.

So that on the question of what the profits of these banks may be, I am ready to admit that as we must have agencies, and the banks are acceptable agencies to the business of the country, and as we can regulate their profits by law, and as they are still to be regulated by the taxing power, nobody who is willing to have his prejudices made can have any fair criticism against the continuance of the national banking system.

Will it interrupt my friend?—Mr. HEWITT, of New York. I am afraid it will interrupt me. I would be very willing to answer the gentleman.

Mr. TOWNSEND, of Illinois. Then I will not disturb the gentleman.

Mr. HEWITT, of New York. I am always glad to answer any question, and particularly a question of the gentleman from Illinois. I shall be very glad to answer this. It is very desirable to me that I should reserve what strength I can for what I have to say. At the close of my remarks I will gladly answer any question of this character. I do not know how I am to do it.

Now, we have been told that, while the circulation of the national banks is at present adequately secured, there will very shortly come the question of their continued existence. The Government notes will be retired, and there will be no such security for this circulation.

What, then, are we to do in regard to the circulation of the coun-
Congressional Record—House.

That fund has been built up under the system of transferring at the expiration of every six months a portion of the profits of the banks to this reserve fund; and that fund will necessarily be distributed if you compel these banks to wind up and go into liquidation. It will be impossible not to produce disastrous results from such an operation.

Mr. HEWITT, of New York. I must request my friend not to interrupt me. I am trying to keep the thread of the argument in my mind. What would I propose? I propose that the national banking system under the law as it now stands shall not be changed in any respect whatever except one.

That relates to the circulation and to the security for the circulation. I want to see the supervision and the issue of the money in the hands of the Government through the agency of the banks. I would make the banks deposit Government bonds for the amount of the circulation issued to them.

There are no less than two thousand national banks. I believe the total number is about twenty-three hundred, but in round numbers we say there are two thousand of them; and $60,000 of the capital of each in this manner would make a fund of $100,000,000 of Government bonds owned by the banks. There will be always in our day bonds enough to enable the banks to comply with this requirement. The Government has no longer any motive to make a market for its bonds. Formerly it had, and for that reason the law-makers, in framing that portion of the law requiring the bonds to be held by the banks, intended to coerce the banks into buying the bonds. But the work of refunding is practically done. The Government has no further use for the notes in the matter at all. That fund has been built up under the system of transferring at the expiration of every six months a portion of the profits of the banks to this reserve fund; and that fund will necessarily be distributed if you compel these banks to wind up and go into liquidation. It will be impossible not to produce disastrous results from such an operation.

It is not by conspiracy or combination, as far as I know or believe, but hastened into a panic (which showed that bank officers are not wiser than other men) that the banks got their bonds, and retire their circulation. That withdrawal of $18,000,000 brought this country to the very verge of bankruptcy and came near bringing on a panic as disastrous as that of 1857 or 1863. Now, if $18,000,000 would create such a result, what is going to be the result of $42,000,000 plus $13,000,000 which we are in danger of seeing wind up by action looking to the refunding of the 3 per cent. bonds is taken from them?

Therefore, without reference to party, let me urge both sides of the House to adopt some measure to prevent such a calamity. In the first place, we do not entertain consideration allowing bank-charter holders to be extended, with proper amendments. I quite agree in the amendment of my friend from Pennsylvania, Mr. S. [Mr. Smith], because I was not the author of the law which made it possible, but because the experience to which I have referred shows it is necessary. Originally I would have said that any restriction on the free action of banks is unhealthy and dangerous, but when I find the banks themselves running like a pack of sheep into a panic, then I say let us by way of precaution, make it impossible for them to retire their circulation, without adequate notice to the public. And for that reason I trust my friend the chairman of the committee, whom I am sitting on my left, will accept the amendment offered by the gentleman from Pennsylvania as a necessary safeguard against the danger of sudden contraction.

Now, by extending these charters we actually give no new rights that the banks are recognizing all of them under the act, taking out new charters for twenty years. I would prefer to allow them to run on; first, to avoid the expense of organizing all over again; secondly, to avoid the inconvenience of raising their own funds to get up their affairs and starting again; and more particularly to avoid the distribution of $125,000,000 of surplus profits which they hold on hand and which, in the absence of business in this country to the extent of at least $1,000,000,000 per annum.

I will undertake to say that the withdrawal of $150,000,000 would produce in a year $10 of business; and even that, I think, would be a very small estimate. Now, if we do not give any new privileges to the banks, we allow them to do what they have now a right to do in another form; but we add to one of them, because we must have a current money, which is not the basis of business but an absolute guarantee to the people of their strength and solvency.

That fund has been built up under the system of transferring at the expiration of every six months a portion of the profits of the banks to this reserve fund; and that fund will necessarily be distributed if you compel these banks to wind up and go into liquidation. It will be impossible not to produce disastrous results from such an operation.

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irreconcilable, or that there would be a particle of doubt about it from one end of the land to the other. But while it is so absolutely secure as to be bomb-proof and fire-proof it imposes no harder condition on the banks than does the present law, which requires the stockholders to be personally liable for an amount equal to the capital stock held by each.

This is a crude suggestion. I do not submit it here in the form of a bill nor in any very elaborate shape, because it is not part of my business here to do so. I am so placed in this House, that I have no connection whatever with any committee which concerns itself with the finance, or the commerce, or the revenue of the country. In submission, however, I would say it is not one which has been made without much reflection and some careful study. I am prepared to stake whatever reputation I may have for business capacity on the suggestion as one which is feasible, one which is evidently executed, and one which will give security and stability not only to the currency but to the business of the country.

It has been objected by many of my friends that the profits of these banks are exceptional, and that something ought to be done to mitigate this suggestion, however, I would say it is not one which has been made without much reflection and some careful study. I am prepared to stake whatever reputation I may have for business capacity on the suggestion as one which is feasible, one which is evidently executed, and one which will give security and stability not only to the currency but to the business of the country.

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vised a plan to distribute this surplus in some other form than in the
nomina1 dividend; and I will tell you how they sought to
accomplish this difficult feat.

There were 20,000 shares of this stock; 6,000 belonging to the
Pennsylvania Railroad Company, and 14,000 to the
Pennsylvania Railroad Company, 5,000 shares of this stock and
paid for it $285 a share. Now, if you will take the trouble to add
the capital of the company, $2,600,000, to the surplus $2,598,425.51,
making the total capital plus the surplus, and divide that by 20,000, you will find that they paid for that
stock the full value as shown by the books. It was worth a great deal more than that; for the stockholders held
a life interest in it, and on its death he held
chase of these
stock was merely a cover for a dividend; that it was a dividend of
125 per cent. I will read what the auditing judge said:

The facts which I have stated are all recited by Judge Ashman
in his opinion, which I hold in my hand, and which I shall print in full in the
RECORD, not only to meet the criticism of those who do not see the
merit of the book, but to answer some of the arguments of those
who have been led to subscribe to her share of it as
such. Now, I will either have this read for the edification of my
friend from Pennsylvania, [Mr. KELLEY], or I will print it in the
RECORD, as he may prefer.

After this was all done and they had divided 22 per cent. in cash,
in addition to this dividend of $165 a share, which of itself amounted to
paid $100 a share, and the company paid out of its treasury $1,685,000, and made to its stockholders
an undivided profit of $2,461,423.51—over 125 per cent. I will read what the auditing judge said:

Now I am not going to be hard upon my friend from Pennsylvania,
and I beg him to produce it if he has it.

Now, I ask, before I go one step further, whether I shall have read
the decision of Judge Ashman, so everybody will be fully posted

To which my friend from Alabama [Mr. HERBERT] has given some attention, though I have not read it myself—
no easy in the International Review on "An Scicnce Based on Assumptions." I think the
decision is probably the best written piece of legal work that has appeared in the International Review
in the last five years. I did not want to read it, but the facts are so surprising, that I could not resist the
enquiry about it.

The distribution of protective tariff literature has always been a regular part of the work of this office.
Will send fuller information by mail.

Perhaps the letter has been sent to my honorable friend from Pennsylvania, and I beg him to produce it if he has it.

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Several MEMBERS. Print it in the RECORD.

Mr. HEWITT, of New York. I ask the House to believe that
every word I have said as to figures and as to the decision of Judge Ashman is confirmed by the
RECORD. This copy is taken from the certified record of the court.

Mr. KELLEY said the court had nothing to do with such questions.

In an orphan's court, will be inclined to take refuge in itself. [Laughter.] It shall go on the record.

[An extract from the adjudication.]

In the orphan's court for the county of Philadelphia. In re Estate of J. Edgar
Thompson, deceased, January term, 1882.

The remaining item was 334 shares of the Pennsylvania Steel Company, costing
$32,498.67. The testator owned at his death 1,000 shares of stock of the company,
and his estate in the Pennsylvania Railroad Company for the price of $250 per
and its distribution by

It was announced by the gentleman from Pennsylvania that I was to be "the
lady and gentleman's friend.

Mr. KELLEY. Oh, no!

Mr. HEWITT, of New York. I saw it in the New York Tribune
on the morning when the "laying alive" was to be done, that I was
about one hundred and twenty-five feet from the Pennsylvania came into the Hall that the high priest was decorated
with flowers, not the victim, as used to be the practice in older and
more barbarous times. [Laughter.]

When the gentleman contradicted my assertions on the profits of
steel making I did not retract on him as I might have done with another person.
He said there was no anthracite coal in Wales, and that David Thomas had told him there was none. I
produced David Thomas's letter, and published it in the RECORD in
connection with the speech of the gentleman from Pennsylvania,
[Mr. BRUML], that letter saying that Mr. Thomas had never told
Judge KELLEY anything of the sort, and had never had any conversa-
tion with him on the subject. The gentleman from Penns-

I knew they were spending money for
it were only practicable, to

Now, having bought these 5,000 shares, they issued a confidential
letter to their shareholders, saying that they had done this thing
without the knowledge of their own officers, which was sent to each stockholder
for $100 a share. In other words, they paid out in the purchase
of these 5,000 shares of stock, $1,325,000, and they sold the stock to their shareholders for $600,000.
By that means they distributed $250,000 of their surplus profits to their shareholders without
calling it a dividend.

I knew they were spending money for
it were only practicable, to

The public would never have had any knowledge of this oper-
ation if I had not revealed it now to this House. There is no doubt that Judge Ashman, by his
opinion, which I hold in my hand, and which I shall print in full in the
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Several MEMBERS. Print it in the RECORD.
Mr. HEWITT, of New York. Now I have said that I feel very indignant toward the gentleman from Pennsylvania [Mr. KELLEY] and that I impute to him no intention of having any desire to deceive the House.

Yesterday, twenty-four hours having elapsed, the gentleman from Iowa [Mr. KASSON] took the floor. Judge KELLEY had already summed up the debate, but by a kind of double-barrel shot gun address which I think the gentleman from Iowa [Mr. KASSON] had the closing hour. And he proceeded to use the most of it in answer to this very allegation of mine, that a dividend was declared exceeding the amount of the capital, when then the gentleman from Iowa [Mr. KASSON] delivered his speech. It was not his fault; I was so ill I was absolutely compelled to lie down in the lounge. But if I had present, I would have made no difference in the speeches, for had he the closing hour of this debate, I could have had no chance of reply. I will do him the justice to believe I was present and desired to interrupt him he would have gravely accosted me permission to do so; but I have awaited his turn from New York before referring to this matter. That gentleman had twenty-four hours' notice after reading the slip here from the Philadelphia Times, which I gave as a brief authority for my statement. The gentleman from Iowa sent for that slip. It was furnished to him, and appears copied in his speech. He states that he knew to this correspondence, that the judge declared it was a dividend, and when the gentleman from Iowa, by the variant of his speech, I have explained the way.

And thus we find the gentleman from New York, with that thing in his hand, a newspaper slip into "evidence" that there had been a 50 per cent. dividend at the steel works without any statement of the amount of capital stock, or the evidence that even a dividend had ever been declared by the steel works.

I trust I have supplied the omission now to the gentleman from Iowa. I do not mean to go out of the way by the estate of the taxpayer.

The next day, twenty-four hours having elapsed, the gentleman from Iowa [Mr. KASSON] was sixty persons; if a slip was brought by the gentleman from Iowa, the judgment of the gentleman from Iowa, other than friendly. I submit to the gentlemen who understood the condition of the estate, the property that had been acquired by the estate of the taxpayer, and which had been affixed to a distribution where the facts were, it was an attempt to cover up a 

But the relation between us have never been, so far as I know, certainly so far as I am concerned, other than friendly. I submit to the gentleman from Iowa that I do know of my own knowledge something of this matter, for I am one of those who have a practical familiarity with the subject, and I am the owner of stock in steel works, but I did not choose to refer to my own case because I felt some natural delicacy on the subject which "such" persons sometimes show. But he continues:

When the gentlemen claim that they can revise the tariff "in thirty days," and when they have no more respect for facts than to assert deliberately in this House, that the autocratic spirit of popular opinion in the country, the people of this country are justified in asking to go out of this House and find some other means for securing the facts as they are.

If the gentleman meant to go outside of the Ways and Means Committee I would have been entirely willing. [Applause on the Democratic side.]

Now, sir, when such gentlemen—

I do not know the exact meaning of "such" as used in this connection; possibly the gentleman meant persons engaged in such business as mine, the iron business, and who know what these profits are from their own experience; and I will say to the gentleman from Iowa that I do know of my own knowledge something of this matter, for I am one of those who have a practical familiarity with the subject, and I am the owner of stock in steel works, but I did not choose to refer to my own case because I felt some natural delicacy on the subject which "such" persons sometimes show. But he concludes:

When such gentlemen claim that they can revise the tariff "in thirty days," and when they have no more respect for facts than to assert deliberately in this House, that the autocratic spirit of popular opinion in the country, the people of this country are justified in asking to go out of this House and find some other means for securing the facts as they are.

If the gentleman meant to go outside of the Ways and Means Committee I would have been entirely willing. [Applause on the Democratic side.]

Now, the gentleman from Iowa and I have served together.

But the relations between us have never been, so far as I know, certainly so far as I am concerned, other than friendly. I submit to him as a gentleman who understood the condition of the estate, the property that had been acquired by the estate of the taxpayer, and which had been affixed to a distribution where the facts were, it was an attempt to cover up a 

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submitted to, and the gentleman owes it to himself, to me, and to the country to withdraw every word of that sentence which I have quoted. [Applause on the Democratic side.]

Mr. BUCKNER. I believe I am entitled to the floor.

Mr. KELLEY. I ask the privilege of being heard in reply to the gentleman from New York for a few minutes.

Mr. Speaker. For what purpose does the gentleman from Pennsylvania rise.

Mr. KELLEY. I take the floor for the purpose of responding to personal allusions made to myself, which involve to some extent a question of my veracity.

Mr. KASSON. I move that the gentleman from Pennsylvania be allowed to make the remarks of which the gentleman from New York complained.

Mr. KELLEY. I hope the privilege will be accorded me.

Mr. SPRINGER. I ask the House to yield the same privilege to the gentlemen from Iowa and Pennsylvania.

Mr. ANDERSON. I hope there will be no objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania.

There was no objection.

Mr. ANDERSON. That also includes the same privilege to the gentleman from Iowa.

Several MEMBERS. There is no objection.

Mr. KELLEY. I am very glad to know, Mr. Speaker, that the gentleman from New York has come to a realizing sense of the annoyance and injustices that he has been foisting upon the community in their affair.

I wish I had done so before I took the floor on Friday a week ago. My remarks would have been less of a wrangle than they are in the Record. But I do not think he presented me saying what I wanted to say, nor that he succeeded in so confusing me that I said anything that I have occasion to regret. That I knew the steel business; that the Bessemer steel company made profits amounting to $67 or 70 per cent. in 1858. I said more, that the paragraph the gentleman insisted on injecting into my speech, had no relevancy to any question as to the earnings or dividends of Bessemer rail companies.

I will not dispute the distribution of stock of the Pennsylvania Steel Company as and on the terms the gentleman has just stated; and yet I say that no Bessemer steel company made 67 per cent. profit in 1851, the year of which the gentleman challenged me to speak; and he shall be the witness to prove the truth of my assertion as a less wealthy man than he could not be. In the course of his speech he told us that for six successive years he had lost $100,000 a year by keeping his iron works in operation, but that in the seventh year by reason of a boom in the iron market he had far more than retrieved his losses. In this his experience was identical with that of the strongest and most favored of the Bessemer companies. They were all dead, and there was as far as I know but (and I used the word companies because there might possibly have been a second) that was able to go on producing and taking advantage of wages and profits of raw materials which prevailed during the depression to accumulate stock for the time when business should revive. They went on as he did, nominally losing money, certainly unable to pay dividends. [Mr. HEWITT, of New York, rose.] I hope the gentleman from New York will not disturb the continuity of my thought.

Mr. HEWITT, of New York. Certainly not.

Mr. KELLEY. On page 15 of the Record containing my remarks will be found a portion of Mr. Swank's letter, in which are set forth the most remote reference to the profits of Bessemer railway companies. That it was a decision by our orphans' court as to the distribution of the estate of a testator; and that is precisely what it was. The paper now produced by the gentleman from Pennsylvania is a paper which was written that letter, and that he knew it to be genuine by his familiarity with the writer and the writing.

Mr. KELLEY. Asserting that it was his signature, you made the letter his; for you were old enough to know that what a man does not bear his own signature does, and that if he signed it it was his letter.

Mr. HEWITT, of New York. It was not the gentleman from Pennsylvania to whom I refused to yield. It was to gentleman on this side of the House.

Mr. KELLEY. Now, as to David Thomas. I am not surprised that a gentleman may have forgotten a casual conversation; but I did have a conversation with David Thomas in which we spoke of the Welsh coal and the Bessemer steel. He told me that the Welsh coal was not the same as Bessemer steel. He also said that the Welsh coal was not pure anthracite; and, to borrow a phrase used by the gentleman, in the discussion on Friday week I in the haste of debate—mind my remarks were not in print—omitted the word "pure" and said there was no anthracite. [Laughter.]

The question between Mr. Thomas and me is not one of veracity, but of memory. I affirm that he made a statement which I do not recall, but upon my memory and upon my recollections the fact that I perverted the incident. I do not mean to impugn the veracity of Mr. Thomas, but I say that those who are in the habit of weighing testimony will conclude that it is more likely his listener should remember so striking a fact than that he would, years afterward, remember a casual conversation which occurred in the freedom of social intercourse.

I wish to say to the gentleman from New York that I do not challenge his right to pay for the publication of his speech, and that I alluded to the subject only in response to the gentleman.

Mr. HEWITT, of New York. Oh, no; I beg the gentleman's pardon.

Mr. KELLEY. The gentleman said—well, let us look at the Record, and see what was said.

Mr. HEWITT, of New York. Yes; that is right.

Mr. KELLEY. Let the Record speak. There is the colloquy. I said:

I hope the error has been corrected in the 20,000 copies of the gentleman's speech he has caused to be printed for circulation by the Democratic campaign committee.

Mr. HEWITT, of New York. Yes; you flung it at me.

Mr. KELLEY. The gentleman from New York said:

There are no copies being circulated through the Democratic campaign committee.

Proceeding, he said:

I beg the gentleman's pardon. [Laughter.]

Mr. HEWITT, of New York. Very well; that is as I stated it.

Mr. KELLEY. I raised no question as to the payment for the copies of his speech by the gentleman.

Mr. HEWITT, of New York. Nor I with you.

Mr. KELLEY. You said you supposed you would also pay for folding them; I would like to see the receipt given you when you make this payment.

Mr. HEWITT, of New York. I have had to pay for the folding of over 20,000 copies on account of bad management under the Republican administration; and other gentlemen on this side of the House have had to do the same thing.

Mr. KELLEY. Pray do not disturb the continuity of my thought.

Mr. Speaker, I say without reserve that I had a right to interfere from the gentleman's own speech, as well as from information in my possession, that he did not know what he was talking about when he
spoke of the profits of Bessemer rail companies. He says the capital is $1,700,000, and he has made July 4, 1856, Mr. HEWITT, of New York. The gentleman will allow me to say, Mr. KELLEY. Do not disturb the continuity of my thought; the question between the gentleman and me will be settled as time flows on. Other portions of his speech show that the gentleman from New York (Mr. MERRITT) has been busy with his books and publications. He had prepared in the form of resolutions instructions for the Committee on Ways and Means under which it was to frame a tariff bill; and had prepared those instructions, as his resolutions and speech show, in order that we have the same results that we have with other sources of revenue besides customs duties. He proposed in his carefully-drawn resolution of instructions, which was the basis of his speech, that alcohol for use in manufactures shall be put on the free list.

Weeks afterward, when his attention had been called to the fact that we impose an onerous internal tax on alcohol, he said that his resolution of instructions was very crudely expressed, and that his purpose had been to remove the internal-revenue tax from alcohol used in manufactures. How did the gentleman propose to modify the internal-tax law by instructing the Committee on Ways and Means to report a provision for free alcohol in a tariff bill?

I do not rest my argument that his resolution and speech were prepared in utter unconsciousness, on the fact that the farmer must pay 90 cents tax before he can put on the market a peck of corn advanced in manufacture but one stage. The mini-...
Mr. HEWITT, of New York. Did the gentleman hear me add that the superintendent of the works had himself told me there were over $5,000,000 of undivided profits on hand. Mr. KASSON. The allegation was that there had been a 50 per cent dividend.

Mr. HEWITT, of New York. Yes, sir. Mr. KASSON. And the paper which the gentleman held in his hand did not contain the slightest evidence that there had been a 50 per cent dividend. That is the point. Hence I was right in saying that when the gentleman made that statement and said, 'I have the proof here,' he had literally no proof in his hand.

On looking at the document which the gentleman has produced this morning I find that instead of these being the profits for a year—Mr. KASSON stated the last corrected proofs of the last statement, as I believe he said—that I did not hear all he said, as he spoke very low—instead of these being the profits for a year they were the accumulations of eight years, and which I believe the gentleman himself will remember that when he suggested that a slip had been misread, I was correct, I think, in saying that afterward, with the revival of business, the enterprise became profitable, and the stock rose in value over 200 per cent.

Mr. HEWITT, of New York. Premium.

Mr. KASSON. Rose over 200 per cent. It further appears from this statement (perhaps the gentleman stated it to the House this morning, but I did not hear it) that this stock was paid for at the rate of 100 per share in new money paid to the company, and it was only the excess of the value of the stock above par that was represented by the appropriation of profits.

Sir, the gentlemen's statement inconsistent with the facts, and the gentleman himself will remember that when he suggested that the Committee on Ways and Means, meaning of course that he could do it, he was a member, was able to revise the tariff in thirty days, it did present to me a fair opportunity to remind him of his own mode of thinking and action, as illustrated in taking a newspaper scrap floating in the papers, which did not say that this was a dividend, and deducing from it the statement that there was a dividend of 50 per cent. in a single year.

I know nothing of these dividends; I care nothing for them except as contrasted with what the great question in the discussion of which this matter arose. From what I have now said I think it must appear that I did try to be fair to the gentleman, and that I was justified in saying I had no desire to suppress this reopening of a matter, in the language of his hand a scintilla of proof to justify him in saying, "I have here the proof." I must insist that I was right in stating that there was not a scintilla of proof then presented by which the House could be guided.

Mr. HEWITT, of New York. Will the gentleman correct the statement which he has just made that the slip read did not declare it was a dividend. I read the slip:

"The question was whether about fifty thousand dollars worth of stock of the Pennsylvania Steel Company, which had recently been obtained by the estate, should be regarded as part of the capital of the estate or as a dividend given to Mrs. Thompson absolutely."

Judge Ashman took the latter view, that it was a dividend. Will the gentleman correct his last statement?

Mr. HEWITT. It arose from property "recently obtained by this estate."

Mr. HEWITT, of New York. The question was whether it was a dividend or not as a part of the capital of the estate in the Pennsylvania Steel Works.

Mr. KASSON. As a dividend of the estate, it does not say "in the Pennsylvania Steel Works."

Mr. HEWITT, of New York. But as a dividend given to Mrs. Thompson absolutely.

Mr. KASSON. Now, sir, there is no escape so far as that thing is concerned, that there was not a scintilla of proof, at the time he flourished it before the House, of a 50 per cent. dividend, and nothing said as to its financial foundation. The last time he would be bound to the appeal which the gentleman has made, but must say I should not be willing to trust the revision of the tariff of the United States to a gentleman with such interest as satisfactorily. It was proved by a newspaper paragraph which did not even allege the disputed fact of a 50 per cent. dividend by the Pennsylvania Steel Works.

Mr. SPRINGER. It is proved now.
tion for the consideration of this House, and its importance is in no wise diminished by the extension of the charters of the banks. I am
glad to find that my distinguished friend [Mr. HAWRT] who addressed
the House a few moments ago, and two of the gentlemen on the Com-
mmittee, and members of this body, have in my objection to the passage of this bill as reported some founda-
tion in it other than mere opposition to the banks themselves.
I have opposed this bill, Mr. Speaker, because I hold that it is
wrong, not only for the next twelve months, but at all times.
If it was a delusion and a cheat, and that it did not accomplish
what the country had a right to expect from the legislation of Con-
grress, why do we do this? Why do we sanction the organization or
authorizing the extension of the corporate existence of those associa-
tions, with nearly the same stockholders as before, and will then apply for
the shareholders; necessarily sanction the organization or
existing laws, the Comptroller has no discretionary power in the matter, but must
be an embarrassment to business; that it would interfere with the
fund of the country and without taking notice of the fact that their
which I have marked.
Mr. Speaker, I desire to say that we have no
power to subscribe for stock in the new organizations.
I yield with pleasure to the gentleman.
Mr. BUCKNER. Now, Mr. Speaker, the Comptroller of the Cur-
ry puts it upon the ground that a failure to pass the bill would be
favour to many of the national banks, and
surplus fund of the banks; that it would interfere with the interests of the
banks from embarrassment, and my
knowledge, but it may be estimated that one-half of that call will come
from the banks. That is the condition of things; and it is given
by the Comptroller, that why this bill should pass, that on one day in next February the char-
ters of banks holding $4,000,000 of 34 per cent. bonds out of 75,000,000
and that this bill will have no
be under any obligation not to withdraw their bonds and
that of invaliding their existence. Those bonds are all now subject to call,
we may
the risk of the banks and their owners, but
the concurrent and universal facts are that without this bill lawful money will
be may either have
the strength and currency of the country, and without taking notice of the fact that their
the banks and Currency Committee, of which we are mem-
bers, have reported a bill that takes away the power of issuing silver certificates and repeals the law authorizing the
coinage of the silver dollar, except at the discretion of the Secretary of the Treasury, who
is not charged with being its special friend. We have that bill now before us to be presented to this House. And yet that is the way in
which this difficulty, apparent to everybody, Mr. HAHN as the nodular
sun, is to be met, because the fifty-four millions of the 34 per cent.
parts which may be called or at least one-half of them may be called have
to be paid, and upon that is based a circulation of at least twenty millions of dollars in the hands of the people.
Mr. SMITH, of Illinois, ask the gentleman if it would be dis-
agreeable to him to be interrupted?
Mr. BUCKNER. I yield with pleasure to the gentleman.
Mr. SMITH, of Illinois. I know the gentleman from Missouri does
desire to misrepresent me. What I said in my speech was, he
would likely be here next winter and I also, and then we would
be in passing a law for the unlimited coinage of silver.
Mr. BUCKNER. The comment I make on that is, that it is a prac-

cial impossibility so far as this House is concerned. Already the
majority of this House, of which my friend from Illinois is a mem-
ber, have introduced a proposition to strike down the silver certifi-
cates as well as to strike the silver dollar from the
discretion of the Secretary of the Treasury. So that is no remedy. The
next remedy is to buy 4 and 44 cents; and that is the only
which this difficulty, apparent to everybody, Mr. HAHN as the nodular
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agreeable to him to be interrupted?
Mr. BUCKNER. I yield with pleasure to the gentleman.

What are they going to do? Will they buy fours or four-and-a-
half? I say they will not. On the contrary, the operations of the
banks which have reported here these three months, until some have been frightened into the idea that it will be regarded
by the country as a war upon capital if we do anything but obey the
laws and demand, as is their right, the extinguishment of
the chief jewel in the crown of these institutions, the power to
the banks and Currency Committee, of which we are mem-
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banks which have reported here these three months, until some have been frightened into the idea that it will be regarded
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laws and demand, as is their right, the extinguishment of
the chief jewel in the crown of these institutions, the power to
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next remedy is to buy 4 and 44 cents; and that is the only
which this difficulty, apparent to everybody, Mr. HAHN as the nodular
sun, is to be met, because the fifty-four millions of the 34 per cent.
parts which may be called or at least one-half of them may be called have
to be paid, and upon that is based a circulation of at least twenty millions of dollars in the hands of the people.
Mr. SMITH, of Illinois, ask the gentleman if it would be dis-
agreeable to him to be interrupted?
Mr. BUCKNER. I yield with pleasure to the gentleman.

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agreeable to him to be interrupted?
Mr. BUCKNER. I yield with pleasure to the gentleman.
Now, that would not be very extraordinary but for this fact; it has never occurred before since resumption took place, for, since the fall of 1878, after our legislation in this House stopping the contraction of the greenback circulation and providing for the coining of the silver dollar, the banks have gradually and slowly increased their circulation month by month until now.

Now, how do my friends on the other side who are supporting this bill account for this? I cannot explain except upon the theory that the circulation of the banks has been diminished because such a large proportion of it was based on 34 per cent. bonds subject to call, and which have been called and surrendered by the banks. That process is continually going on.

I have a table here showing the amount of national-bank notes outstanding on the 1st of each month, from July, 1881, until May, 1882:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount:</th>
<th>Increase:</th>
<th>Decrease:</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 1881</td>
<td>$305,610,935</td>
<td></td>
<td></td>
</tr>
<tr>
<td>August 1, 1881</td>
<td>$306,944,433</td>
<td></td>
<td>$2,333,502</td>
</tr>
<tr>
<td>September 1, 1881</td>
<td>$307,714,133</td>
<td></td>
<td>$959,600</td>
</tr>
<tr>
<td>October 1, 1881</td>
<td>$306,698,136</td>
<td></td>
<td>$100,987</td>
</tr>
<tr>
<td>November 1, 1881</td>
<td>$306,081,130</td>
<td></td>
<td>$677,006</td>
</tr>
<tr>
<td>December 1, 1881</td>
<td>$302,062,410</td>
<td></td>
<td>$4,018,720</td>
</tr>
<tr>
<td>January 1, 1882</td>
<td>$301,153,322</td>
<td></td>
<td>$918,088</td>
</tr>
<tr>
<td>February 1, 1882</td>
<td>$297,034,244</td>
<td></td>
<td></td>
</tr>
<tr>
<td>March 1, 1882</td>
<td>$296,102,322</td>
<td></td>
<td></td>
</tr>
<tr>
<td>April 1, 1882</td>
<td>$295,620,322</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May 1, 1882</td>
<td>$294,570,259</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Decrease since January 1: $921,721

I have some other tables from which I have taken the trouble to compile facts, showing, in addition to what I have stated, the strong tendency of the banks holding the fours as well as the four-and-a-halfs to reduce their circulation by the withdrawal of the bonds on which that circulation is based. At the present rate of taxation it cannot be many years—not more than three or four—when even one of the three-and-a-halfs will be worth more than the national circulation then in existence. The effect will be to take up about $150,000,000 of them. Now, whatever changes may be made by the little internal-tax bill which is expected will be passed, in my judgment the revenues of the Government will not be seriously interfered with before the commencement of the Forty-ninth Congress.

Mr. DINGLEY. Will the gentleman pardon me for interrupting him for a moment? I was out a short time, and when I came back I understood that the gentleman had stated that there had been a contraction of the currency of the national banks since the 1st of January last.

Mr. BUCKNER. From the 1st of January to the 1st of May.

Mr. DINGLEY. I have here a statement from the Comptroller of the Currency which does not seem to bear out that statement of the gentleman.

Mr. BUCKNER. I have a statement from the Comptroller made up to the 1st of May.

Mr. DINGLEY. I have one up to the 1st of May, and from that statement it appears that the aggregate outstanding circulation of the national banks has increased since the 1st of January last.

Mr. BUCKNER. How much?

Mr. DINGLEY. Over a million and a half of dollars within the past six weeks, and in the aggregate over $3,000,000. Of course many national banks have withdrawn their circulation, but many new banks have organized, so that the aggregate circulation has increased and not diminished.

Mr. BUCKNER. I do not know how the gentleman makes out his figures. I have a statement here which I rely upon, from the Comptroller of the Currency himself, showing a reduction of the national currency from the 1st of January last to the 1st of this month of $1,140,000, or a little may have been some increase in the circulation within the last ten days, about which I have not been informed.

I have some other statements to which I desire to call the attention of the House showing the present tendency of this national banking system wherever they are reorganizing, and several of them, perhaps, and a dozen or a dozen of them, have been reorganized by the Comptroller. The operation of reorganizing has been altogether different from what it has been, and for the reason which I have given. Formerly the bank capital was made up largely of bonds, and the tendency is to sell the bonds and put the proceeds into capital and only retain bonds sufficient in amount to keep the bank within the legal limit; thirty-five thousand dollars in bonds, and the proceeds usually leads to a withdrawal of bonds and a lock-up of lawful money and then a retirement of national notes.

The following table is compiled from Executive Document No. 43, and from a statement from the office of the Comptroller, showing number of banks, capital paid up, circulation, and classes of bonds of banks reorganized, and new banks, from July 1, 1881 to May 10, 1882:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks</td>
<td>145</td>
</tr>
<tr>
<td>Paid-up capital</td>
<td>$318,972,160</td>
</tr>
<tr>
<td>Circulation</td>
<td>$5,147,420</td>
</tr>
<tr>
<td>Acceptances of the Government</td>
<td>$526,390</td>
</tr>
<tr>
<td>Bond-Capital</td>
<td>$1,116,000</td>
</tr>
</tbody>
</table>

From which it seems that the new and reorganized banks have loans less than one-sixth of their bond-deposits consists of 4 and 5 cents, and less than five-sixths of their bonds (34 per cent.) liable to be called for redemption at any time.

It also appears from these tables that of these 145 banks 114 have a circulation of $60,000,000 bonds and acceptances, and of $140,000, 11 of $100,000, 1 of $200,000, 3 of $300,000, 3 of $500,000, 1 of $670,000, and 1 of $729,000, while the paid-up capital is $15,942,168—more than double the bond deposits.

These figures are very remarkable in view of several statements which have been made here that these charters are not valuable. There have been one hundred and forty-six banks organized since the first day of July last, including, of course, the half dozen or a dozen which have been reorganized. That is, a larger number of banks have been organized since the first day of July last than ever have been organized in the same length of time, according to my understanding, since about 1865 and 1866, and five-sixths of the bond-deposit is made of 34 per cent., showing conclusively that the banks have purchased either of these other classes because of the high premium they bear in the market.

Mr. DINGLEY. Will the gentleman permit me at that point? Is not this table, which is obtained from the Department of the Treasury, a table giving the outstanding circulation not only of banks that are in actual operation but of banks that are in process of liquidation?

Mr. BUCKNER. I have them both.

Mr. DINGLEY. That is the statement I have.

Mr. BUCKNER. Of these one hundred and forty-six banks organized in the first day of July last, only half of the bonds and as I have said, of the reorganized banks, there has been paid in a capital of $15,942,168.

Mr. DINGLEY. Those banks have deposited bonds to the amount of $7,785,300, and have a circulation of $8,542,500, and 54 per cent. of the circulation is based on $140,000, 11 of $100,000, 1 of $200,000, 3 of $300,000, 3 of $500,000, 1 of $670,000, and 1 of $729,000, while the paid-up capital is $15,942,168—more than double the bond deposits.

Mr. DINGLEY. The First National Bank of Farmington, Indiana, reduced its circulation from $400,000 to $150,000.

Mr. BUCKNER. That is one of the cases which has been brought to the attention of the Committee which I have submitted as an amendment to the bill of the committee fixes the amount and
keeps it fixed. This idea of an elastic credit or paper circulation is the greatest fallacy that ever entered into the mind of man. To allow any number of men to say what amount of currency we shall have and thereby to fix the value of all the property in the country, and then to say that currency varies with constant fluctuation, is a system which ought not to be tolerated. It ought not to be left discretionary with the banks or with any other corporation. We have now seen that we need a constant amount of credit money, and the elasticity of the currency to be supplied by metallic money, and not by the printing-press and the engraved plate. Banks are called for through the whole country, and interest in seeing that the circulation of the banks shall not be withdrawn at the mere will of those by whom it has been issued.

Mr. SMITH. I will not interrupt the gentleman unless it is pleasant to him.

Mr. BUCKNER. It is not unpleasant.

Mr. SMITH, of Illinois. Would the gentleman desire to have the same quantity of currency when prices are low as when prices are high?

Mr. BUCKNER. Why, sir, it is the amount of currency in the country that fixes prices; at least this is an element that very largely operates in fixing prices; and it is for this reason I object to the constant fluctuation in the amount of currency that must be experienced while the banks have the power to control the circulation.

My friend from North Carolina [Mr. DOWN] seemed to take in the situation very readily. While disposed to give the banks the facilities for their circulation, he is not willing to have them at the same time we curb their power, and he thinks that the amendment offered by my friend from Pennsylvania [Mr. RANDALL] will do this. The object of the amendment is to guard against any such occurrence in the future; but I do not suppose any gentleman will say that if the Secretary of the Treasury has $25,000 or $50,000 applicable to the payment of the debt, and to no other purpose, he is to be compelled to keep standard coin of gold and silver as the face value of the paper money in circulation.

I have said there is no redemption now under the present national banking system; when we are called upon to extend the franchises of the banks for twenty years longer I insist it shall not be without imposing some such condition upon them. The value of the vast privilege these banks have is proved by the fact they have organized themselves and are able to circulate in millions and millions of dollars and to extend their banking system. When we are called upon to extend the franchises of these banks for twenty years longer I insist it shall not be without imposing some such condition upon them. The value of the vast privilege these banks have is proved by the fact they have organized themselves and are able to circulate in millions and millions of dollars and to extend their banking system.

It is not unpleasant.

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circulation. It puts our circulating medium in a position of stability and steadiness, and makes us independent of the two thousand banks who will then have no power to determine whether we shall have a larger or less circulation, or less notes than we have had this year. It authorizes the issue of Treasury notes and for no other purpose than to maintain the volume of the currency to be reduced by the sale of the banks' stock at the par of the United States Treasury; or where the bonds are called for redemption by the Treasury, in which event Treasury notes can be issued in lieu of the redemption money, and that is the provision for a stable, steady, and unfluctuating circulation. And I warn gentlemen on the other side as they have been warned heretofore, I warn them of the danger that by which they do not propose to provide for anything in this bill.

Mr. BUCKNER. Certainly.

Mr. HASELTINE. Would you limit the currency of the country to the metals alone, when we have an immense increase in our population from foreign countries as well as the additional growth of our own industries?

Mr. BUCKNER. I would fix the amount of paper or credit circulation at a sum which would be adequate for all of the wants of the country. I believe that paper circulation, a large amount of it, has been a source of injury to the business of the country, and for that reason in part large imports are coming in, and no exports going out of the country. And you would, as you have said, be on the English system, which (provides a diminishing credit circulation and has for thirty-eight years) and let the increase come from the industries of the country, but the limitation is the currency which is first of all an increase of an coin. That is my proposition. Time may show that we have not a sufficient amount of credit circulation to meet all the wants of the country, and that the government has no power to confine it. The wisdom of Congress will provide relief when that occasion arises. I believe that the next fifty years five hundred or six hundred millions more, which will be issued by corporations scattered all over this country, thereby putting in their power which may be used to the prejudice and detriment of the whole country. We have to make that choice sooner or later. We have to determine what shall be issued by the Government, and who is to issue all the credit circulation. We shall have no other alternative. We shall have to decide whether we will have a stable circulation which is to be issued by the government, or which shall be issued by corporations. It is the vice of this bill, that it does not make any provision for the condition of things that must necessarily occur. And when gentlemen talk about exchanging the 3½ per cent. bonds that will be due between now and the 1st of March, 1897; when they say that the banks after they have been rechartered are going to buy 4 or 4½ per cent. or reinvest in 3½ per cent. that may be called in the next year or the next six months, they leave the difficulty just where it is now, without any rechartering and under the power and control of the owners of the banks going to the prejudice of the owners of the bank.

Mr. BUCKNER. I greatly admire your views on the subject suggested with great pleasure. The idea of legal tender, as it is termed, as applicable to the Government of the United States is mischievous indeed. I do not mean that we can prevent the dollar being a legal tender in fact and it is and shall be a legal tender in law, that the dollar which is a legal tender in law for all debts, public and private. And when the Constitution says that no State shall pass a law to make anything but gold and silver coin a tender for debts it excludes any other power which may be used to the prejudice and detriment of the business of the country, and for that reason I greatly prefer the English system, (which provides a) diminishing credit circulation and has for thirty-eight years, and there is not a line or a letter in the statutes of the United States as to contracts between individuals. It is absolutely without jurisdiction, and I believe that the dollar is a legal tender in discharge of anything that calls for payment in silver, and treat them all alike and not make any of them legal tender for private debts. Am I correct?

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Mr. BRUMM. I believe I have concluded what I intended to say at this time. Before the gentleman takes his seat will be permitted to ask a question?

Mr. BUCKNER. Yes, sir. Mr. HASELTINE. In your proposed amendment you provide for the issue of Treasury notes, legal tender for all debts due to the Government, but not for debts to the individual. I understood you in the committee to say you would not only exclude the legal-tender clause from the Treat, and I will very briefly state my views on the subject suggested with great pleasure. The idea of legal tender, as it is termed, as applicable to the Government of the United States is mischievous indeed. I do not mean that we can prevent the dollar being a legal tender in fact and it is and shall be a legal tender in law, that the dollar which is a legal tender in law for all debts, public and private. And when the Constitution says that no State shall pass a law to make anything but gold and silver coin a tender for debts it excludes any other power which may be used to the prejudice and detriment of the business of the country, and for that reason I greatly prefer the English system, (which provides a) diminishing credit circulation and has for thirty-eight years, and there is not a line or a letter in the statutes of the United States as to contracts between individuals. It is absolutely without jurisdiction, and I believe that the dollar is a legal tender in discharge of anything that calls for payment in silver, and treat them all alike and not make any of them legal tender for private debts. Am I correct?

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seven o'clock, if that is desirable, for those who wish to speak on the bill.

Mr. RANDALL. I would like a little time to-morrow, say twenty to thirty minutes, to speak in the main to the amendment which I have offered. As some objections have been presented to that amendment I would like to make an answer to them.

Mr. CRAPO. Cannot that be done when the House comes to consider the bill by sections for amendment? Mr. RANDALL. We will then have under the five-minute rule. The gentleman might fix half past one for the time to close general debate. I will not be any longer than I can help to fully state the animus of my amendment and to answer some objections made to it.

Mr. CRAPO. Then I ask that general debate be closed at two o'clock to-morrow.

The SPEAKER pro tempore, (Mr. TOWNSEND, of Ohio.) The gentleman from Massachusetts (Mr. CRAPO) has asked that an order be now made to close general debate upon the pending bill at two o'clock to-morrow.

Mr. BUTTERWORTH. I desire to make answer to them.

Mr. CRAPO. We can have a session to-night. I will ask unanimous consent that the House take a recess at five o'clock this afternoon until half-past seven this evening for the purpose of general debate on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts, (Mr. CRAPO?)

There was no objection, and it was so ordered.

Mr. SPEAKER. A message from the Senate, by Mr. SYMPSON, one of its clerks, informed the House that the Senate had passed without amendment a bill and joint resolution of the House of the following titles:

An act to provide for the admission of the Territory of Dakota into the Union as a State.

A joint resolution of the House of Representatives of the United States in Congress assembled, providing for building the lock on the Illinois and Michigan canal.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House was requested, a bill of the following title: A joint resolution of the Senate of the United States in Congress assembled, providing for the admission of the Territory of Dakota into the Union as a State.

The message further announced that the Senate had passed and requested the concurrence of the House in bills and a joint resolution of the following titles:

A bill (H. R. No. 230) for the relief of James J. Faught, late of Company D, Eighth Missouri Cavalry.

A bill (H. R. No. 601) for the relief of Mrs. Margaret Cassidy.

A bill (H. R. No. 618) to enable the State of California to take lands in its possession to the amount of not less than one and sixty-six thousand acres, sectioned in the State of California.

A joint resolution (S. R. No. 67) authorizing the Secretary of War to loan one hundred flags to the mayor and committee of citizens of Charlotte, North Carolina.

Mr. BUTTERWORTH. Mr. Speaker, so far as the amendments to this bill are concerned they will be considered, I suppose, under the five-minute rule. I will not, therefore, refer to them or consider them in what I now have to say.

The pending bill provides for extending the charter of national banks organized under the act of February, 1863, limited by subsequent acts, and so far as that proposition is concerned raises the question whether it is, as a matter of public policy, more desirable to have three hundred and ninety-three national banks, with a capital of $200,000,000 and a circulation of near $70,000,000, loan account of $150,000,000 from being transplanted before the public, than to extend or adapt their charters with such limitations and restrictions as Congress may in their wisdom prescribe.

Mr. BUTTERWORTH. If such a measure were adopted, whether it would be wise to tear out by the roots a tree which is flourishing in healthful growth and bearing proper fruit, and plant in its place another precisely similar, which must become adapted to the soil and overcome the shock of alteration if transplanted before it could yield either shade or fruit. Such a course with regard to the tree would be folly; a similar course in regard to the banks would not show more wisdom.

Mr. BUTTERWORTH. Among the provisions of the bill is one, as a rule, determined by the quantity and the labor and cost of procuring or producing it, together with its adaptation to the use of mankind. When the article is to be used as money its durability

Money is a necessity as a medium of exchange. It is the standard by which the value of all articles intended for sale or barter is measured. The value of any article is, as a rule, determined by the quantity and the labor and cost of procuring or producing it, together with its adaptation to the use of mankind.
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bility and susceptibility to being put into suitable shape; for such use are also to be considered. The world’s experience leaves no doubt in the minds of most men that gold and silver are best adapted for use as money.

Gold, per purposed of trade and commerce and all the uses and purposes of money is most desirable, and silver next. Gold is less fluctuating in value and less bulky to handle. They both possess the important attribute of universality, they are not possessed of the defect of labor, the solvency of banks, or the fate of nations. Their purchasing power is recognized and acknowledged all over the earth, among all nations.

England recognizes gold as the standard in the measure of values, and to-day the value of wheat in Saint Paul and Chicago, of cotton in Charleston, of government bonds in London is determined by the price in London. Wheat in Odessa and cotton in India and Egypt have their value determined by the rate in London. The standard in the United States is determined by the price in New York.

England determines its gold standard by the price in London. The standard in the United States is determined by the price in New York.

Paper money is determined by the price in New York. But what is the standard in the minds of most men that gold and silver make? In the present condition of trade and commerce, the condition of peace and war, the whim of governments, the currency is determined by the price in London. If the price of wheat is high, it tends to increase the price of cotton; the wheat, corn, cotton and other crops are the means by which the value of the money is determined.

The next question is: What is the value of what is determined by the price in London? The price of goods is determined by the amount of money by which they are paid for. The cotton farmer grows cotton for the price of cotton in New York, and the farmer in the South is enabled to buy whatever he wants by the knowledge that in New York the price of cotton will be high.

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The tendency to inflation is so strong, and the disposition to engage in speculation so general, one condition tending to create another, that the result is speculative mania, and the condition of trade and commerce, the condition of peace and war, the whim of governments, the currency is determined by the price in London. The price of goods is determined by the amount of money by which they are paid for. The cotton farmer grows cotton for the price of cotton in New York, and the farmer in the South is enabled to buy whatever he wants by the knowledge that in New York the price of cotton will be high.

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speculation and entails disaster, and failures and unpaid debts to the hundred and fifty millions, the loss may not exceed that sum, i.e., two hundred and fifty millions. But if the same speculation is based on the presence of one thousand millions of irredeemable currency, the speculator must not rely on recovering his character of the money, alike disastrous, what is the actual loss? Not two hundred and fifty millions, but one thousand two hundred and fifty million dollars. These sums, if paid, would be affixed in paper promissory notes of value; it represented no value produced; it represented no actual wealth; it represented nothing which is the result of labor. And what ought to call upon this, its moral condemnation, is the proposal to cast the burden of the loss on those least able to bear it, the laborers, artisans, mechanics of the country, and a class, too, in no wise chargeable with the causes and conditions which have produced the disaster. Then what do you propose that we shall have a standard of value, a dollar which is worth one hundred cents throughout the whole year and over all the earth, in good and bad times; and if we have a double standard they shall be practically and commercially of equal value and so recognized by the commercial nations of the world. I object to a system that makes the United States the simple depository of the silver of Europe, while they take from our people only gold. I object to paying the wisdom lacked the moral courage to do it. Congress prefers to

The wisdom lacked the moral courage to do it. Congress prefers to

the United States as a mere standard of value, and not to indulge it self in the persecution of a people whose system is the very opposite of the United States, and who utterly denied the power, and a greater number still who

Shall the power to coin cannot be

Shall the power to coin cannot be

confers

It would be by the wisdom of this honorable body. While I

and recognize the Constitution, and the

and recognize the Constitution, and the

benefits which it has to the community, and not to indulge itself in the persecution of a people whose system is the very opposite of the United States, and who utterly denied the power, and a greater number still who

not contend that this power could be exercised except as a

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right or authority to exercise in time of peace and public

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The more wisdom this House seemingly has the more liable it is to

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impose individual liability; and with the certain result that the

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The Government from all banking operations, and remit the

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authorities and control its

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The greenbacks represent that

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right or authority to exercise in time of peace and public tranquillity. The

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The emitting of paper money by the authority of Government is wisely proscribed to the individual States by the national Constitution, and the spirit of that

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Though paper emissions under a general authority might have some advantage, yet in the exercise of such a power, the people are likely to be

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The emitting of paper is an operation so much easier than the laying of taxes that a government in the practices of paper emissions would rarely fail in any such emergency to indulge itself too far in the employment of that resource, to avoid as much as possible one less suspicion to present popularity.

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These are timely words of wisdom if we do but heed them.

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If it should not even be carried so far as to be rendered an absolute bubble—

If it should not even be carried so far as to be rendered an absolute bubble—

As it probably would be

As it probably would be

It would at least be likely to extend to a degree which would occasion inflamed and artificial state of things, incompatible with the regular and prosperous course of political economy.

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In times of tranquillity it might have no ill consequence—

In times of tranquillity it might have no ill consequence—

And so I believe—

And so I believe—

The more wisdom this House seemingly has the more liable it is to

The more wisdom this House seemingly has the more liable it is to

in times of tranquillity it might have no ill consequence; it might even perhaps be of advantage to a way in which to avoid the errors of political economists there is almost a moral certainty of its becoming mischievous. The stamper

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the noteholders against loss; you must deposit with the Government United States bonds to secure the redemption and payment of the notes; not to secure their exchange for other notes or paper, but their payment, and payment means the issuing gold dollars or silver dollars! So, when gentlemen talk about depositing bonds with the Secretary of the Treasury and receiving so much money, they simply confuse and mislead and positively misstate the fact. The Government does not give to the banker a cent of money, not a farthing. If it did deliver money to the banks there would be no need of providing for its redemption with gold or silver dollars! So, when gentlemen talk about depositing bonds with the Secretary of the Treasury and receiving so much money, they simply confuse and mislead and positively misstate the fact. 

The statement that the Government or that the people are thus compelled to pay double interest, &c., and suffer hardships unnecessarily, is amply answered, so would it not be pronounced with such seriousness as to befog and mislead. Will gentlemen devise some scheme, or suggest one, by which those who borrow money or credit will not have to pay interest? If they borrow gold they must pay interest. If they borrow greenbacks they must pay interest, also the holder of the legal evidence of the credit. The Government does not distribute Treasury notes gratuitously nor loan without interest. The bonds would bear interest even if not deposited; but the proposition of issuing bonds, which on their face provides for payment in money, and the Government regulates its utilization so as to be most advantageous and safest to the borrower and holder of the legal evidence of the credit. 

The whole system is simply a means of loaning credit to those who desire to borrow. Business and safest to the borrower and holder of the note; and the Government will not have to pay interest. But until this Government is fouled with dishonor and debased beyond recognition, the nation being now out of danger, these men who have borrowed greenbacks they must pay interest, and our people had taken them. The Government does not give to the banker a cent of money, in the discretion of Congress, would enable the Government, in the discretion of Congress, to prevent them from governing themselves too much under sudden impulses, under stress of adverse circumstances, when prejudice, passion, and excitement clouded or unhorsed the judgment of the Government. 

The wants of trade and the discretion of Congress excites alternately the confidence of the people and the panic of the people. So you can not trust the people, questions some Solon? Yes, as you are so well informed, you will see that the ease of our people is so precious, that if it be suggested to prevent them from governing themselves too much under sudden impulses, under stress of adverse circumstances, when prejudice, passion, and excitement clouded or unhorsed the judgment of the Government; I am saying my political grave, So be it. To insist upon preserving the national honor and maintaining the national faith is to be buried, so be it. I shall have some consolation in remembering that there is a resurrection for the just. For insisting that the man who labors shall not be robbed by being paid in dishonest money. 

If for insisting that the wage-man's dollar shall be worth a hundred cents throughout the year and everywhere; if for insisting that we shall not have under the influence of an inflated currency a few years of famine, followed by a longer term of leanness and hunger; if for insisting that our prosperity shall be real and not a delusion, I may compass my political death, I will accept the reward of my stewardship, and it will be a blessing. I answer: A national debt is in a sense a burden. It may be so utilized as to become a blessing. I can readily see that the basis and security of a wise postal-savings system, by which the mechanics, the artisans, the laborers, and each of the producing classes as would find absolute security for the investments of their earnings, the general interest of the economy among all classes, the debt being transferred to this class, would prove indeed a blessing. 

There would not only encourage the cultivation of the virtues to which I have referred, but it would induce all these people to feel and take a watchful and intelligent interest in their government; to study carefully its proper functions and labor to see that it is confined to them. They would be prompted by principle and interest alike to shield and protect the public faith and credit in the preservation of which each depositor would find his hope and safety. It is a question of the greatest good, and rather than return to the old scheme of organized plunder of the ant-era period, which robbed the toilers of this country every day in the year, I would without hesitation call the bonds at 3 per cent., after the manner of the Soldier's sols, and make them the security of the noteholders of the country and the basis of the postal-saving system; the good resulting from such a course being so far paramount to any ill or inconvenience it may produce as not only to be defensible but to render it greatly to be desired. 

The charge that I am for the bankers and gold-bugs is one that very moderate ability can answer. Those who have tongues may not be malicious. Their trouble is that they are loaded with their tongues; their tongues may not be malicious. Their trouble is that they are loaded with.
The joint resolution was read, as follows:

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The committee had the following titles; when the Speaker signed the same:

Mr. BRUMM addressed the House. Before he had concluded, The SPEAKER said: The Speaker will call the attention of the gentleman from Pennsylvania to the fact that within one minute the House must be declared in recess until the evening. The time of the gentleman has not expired, but if he will give way—— Mr. BRUMM. Certainly. The SPEAKER. The Speaker will submit some personal requests and reports from the Committee on Enrolled Bills. Mr. ALDRICH, from the Committee on Enrolled Bills, reported that the committee had examined and found true enrolled bills and a joint resolution of the following titles; when the Speaker signed the same:

A bill (H. R. No. 3542) for the relief of Charles F. Benjamin and Henry H. Smith. A bill (H. R. No. 6172) directing the Secretary of State to take the necessary steps for the removal of the remains of the late General Kilpatrick, minister to Chili, from Chili to the State of New Jersey for interment; and

Joint resolution (H. R. No. 211) authorizing the Librarian of Congress to accept the library offered to be donated to the United States by Dr. Joseph Merideth Toner, of Washington, District of Columbia.

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The House suspended the consideration of the following business:

Mr. HAZELTON. I simply desire to take from the Speaker's table a House bill with Senate amendments for the purpose of asking the House to concur in the amendments of the Senate. The SPEAKER. The Chair thinks there will not be time. Mr. HAZELTON. I wish to make a privileged report.

The SPEAKER. The gentleman will have to reserve it till morning.

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The House returns the bill H.R. No. 5575, providing for a public building at Jacksonville, Florida, to the Speaker for the necessary steps for the removal of the same.

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By unanimous consent, leave of absence was granted as follows:

To Mr. TOWNSHEND, of Illinois, for two weeks, on account of important business.

To Mr. WASHBURN, for one week, to attend the funeral of his brother, the late General C. C. Washington.

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Mr. PACHECO. I desire to take from the Speaker's table a House bill with Senate amendments for the purpose of asking the House to concur in the amendments of the Senate. The SPEAKER. The Chair thinks there will not be time.

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The SPEAKER. The time has arrived for a recess to be taken.

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The recess having expired, the House re-assembled at 7:20 p.m., Mr. UPDEGRAFF, of Iowa, in the chair as Speaker pro tem. The Speaker pro tem. The Clerk will read the order adopted this day under which the session of the House is held this evening. The Clerk read as follows:

Ordered, That at five o'clock this p. m. the House take a recess until seven and a half o'clock p. m., for debate only, on the bill (H. R. No. 4167) to enable national banking associations to extend their corporate existence.

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The House resumes the consideration of the bill H.R. No. 14167. The gentleman from Pennsylvania [Mr. BRUMM] is entitled to the floor.

Mr. BRUMM resumed and concluded his speech. [See Appendix.] Mr. HALE, of Illinois. The bill under consideration proposes to extend the time in the discretion of the bankers during the next twenty years to control the issuing of paper currency. It will give the banks power to issue paper in good times and hard times whenever they may choose to do so. Such legislation would place the American people at the mercy of a few national bankers. During the period of hard times, when silver was specie, and a large contraction of the currency caused by the destruction of the people's paper currency, the national banks contracted their circulation $25,000,000. This contraction was during the years January 14, 1756, to May 31, 1758. In March, 1881, the bankers contracted their circulation $18,000,000. This is the way they regulate the current, according to the demands of the people.

In the language of Jefferson, "We demand that the currency shall be restored to the Government, to which it belongs." We see no necessity for granting such special privileges to a few capitalists. Legal-tender paper currency, better than gold, should take the place of national bank paper and stop all interest upon the bonds which now serve as the basis of the bank circulation. Pay the bonds, and restore to the people that currency which has been wrongfully taken from them. The gentleman from Massachusetts [Mr. CHAPRO] says:

The pressing exigencies of the Government and the urgent condition of its finances, which prompted the creation of the banks, have not been forgotten; neither has the valuable and enduring benefit which has been secured in the placing of the public debt and the maintenance of the public credit.

It was the "pressing exigencies" of bankers and money speculators, who largely represented Congress for the purpose of the lobby "which prompted" this creation, or rather, fastened this aristocracy of money speculators upon the American people during the last twenty years. There was but a very limited amount of bank circulation during the war. The Government issued notes after the establishment of national banks:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 13, 1864</td>
<td>$299,967,500</td>
</tr>
<tr>
<td>January 3, 1865</td>
<td>$297,000,000</td>
</tr>
<tr>
<td>July 15, 1865</td>
<td>$183,000,000</td>
</tr>
</tbody>
</table>

After the war the bankers were very brave in "maintaining the public credit," in inflating the Government to change the people's currency into an interest-bearing debt as the best method to hold the North. Senator Wilson, on page 787 Congressional Globe, second session, Thirty-seventh Congress, describes this class of public benefactors, when they were using their influence to cause depreciation of the people's currency by putting the word "except?" in the greenback.

He says:

I ask upon this contest as a conflict between the curb-stone brokers, the Jew brokers, the money-changers, and men who speculate in stocks, and the productive toiling men of our country.

Thaddeus Stevens, in speaking of this class of patriots, says:

The banks took $50,000,000 of 6 per cent. bonds and shoved the Government out of the hands of the people, who have ever paid them, from February 15 or 20, 1863, to the present day, $500,000 yearly to pay the interest on those bonds. They paid for the $50,000,000 of bonds a second round, not specie, and now demand specie for their principal and interest.

This is the class of philanthropists who wanted national banks to issue the currency. The gentleman from Massachusetts [Mr. CHAPRO] says:

I do not fear that the delusion which declares that a piece of paper stamped "one dollar" is equal to 25.8 grains of gold with the stamp, and which seeks by the desperate authority of law to create for it the same value and believes it can function in wiping out debt, will ever prevail with the majority in this country.

The depositing of gold coins in exchange for silver certificates, based upon eighty-eight cents standard flat silver dollars, would be sufficient to satisfy the gentleman. (See official statements.)

The Treasury Department, Secretary's Office.

Washington, D. C., September 15, 1881.

U. S. Treasury Department. Secretary's Office.

Washington, D. C., September 15, 1881.

Until further notice the United States assistant treasurer at New York will pay out at his counter standard silver dollars or silver certificates in sums of $5 or multiples thereof, in exchange for like amounts of gold coins or gold bullion deposited with him.

JOHN SHERRILL, Secretary.
The flat silver certificates are preferred to gold coins. The full legal-tender greenbacks are preferred to either. Why not authorize the Secretary of the Treasury to issue the full legal-tender paper currency in the place of the coin in which a premium is paid? The gentleman from Missouri [Mr. BLAND] said:

NATURE will supply these metals to this nation and to all nations alike, and hence one cannot be an article of convenience without the other.

The gentleman would limit the currency of civilization to metal money, or paper based upon metal money. This would be an absurdity, to limit all business and all progress to the accidental discovery of certain metals. I will show this more fully in my subsequent remarks.

Mr. Speaker, the Constitution of the United States established a government with the authority over the money issues of these great nations, which legislation and sovereignty which affects the interests of the whole people equally and alike, and which require uniformity of regulations and laws, as defined by the Constitution. No one doubts at the present day, nor has ever seriously doubted the power of the Government to emit bills of credit. It has been exercised by the Government without question for a great portion of its history. This being conceded, the incidental power of legislation over the currency of civilization to metal money, being conceded, the incidental power of the Government without question for a large portion of its history.

Clause 2, section 8, of the first article of the Constitution, provides for borrowing money and for paying the debts of the United States. The power to borrow money carries with it the power to give to the lender an evidence of the debt thus created, and to make the Treasury note as valuable as the coin of the United States; thereby giving it the power to perform the functions of money. It should therefore be a legal tender at its face value for all debts and dues, public and private. The Constitution only increases the urgency of the Government for funds; it did not add to its powers to raise such funds or change, in any respect, the nature of those constitutional powers or transactions. Therefore that power which gave us prosperity in war may also be used in peace.

Clause 3, section 8, of article 1, says:

Congress shall have power to regulate commerce with foreign nations, and among the several States, and with the Indian tribes.

Money is an essential element of commerce. It is as much the means or instrument of trade, as navigation or transportation is of intercourse; and is equally included in the regulation of commerce. Therefore, it is the greatest instrument that would provide a uniform currency among all the States. Daniel Webster sustains this proposition in this language:

It is the necessary element of commerce among the States with it, not impliedly, but necessarily and directly, a full power to regulate the essential element of commerce, namely, the currency of the country, the money which constitutes the life and soul of commerce. (Webster's speeches on surplus revenue, 421.)

Article 1, clause 5, section 8, says:

Congress shall have power to coin money and regulate the value thereof.

The words “to coin,” a verb, as defined by Webster, “is to form, fashion, fabricate, or convert into money.” To regulate the value thereof" is to assign it a value; that is, to determine its denominations and purity. It may be used to promote the welfare, without any regard or reference to the commodity value of the substance which shall thus be converted into money. That material, which shall not contain the commodity of commerce and least necessary to the Government. Congress is not limited by the Constitution as to the materials that may be used for the purposes of the money. The expression, “to coin money,” has no definite reference to any substance or commodity value. It is affixing the authority of the Government to the substance which is converted into money. The Constitution nowhere provides in express terms that Congress shall have power to make gold and silver a legal tender.

We ought to talk of coinage notes, for though the design is impressed on paper instead of metal, the function of the note is exactly the same as that of a representative token.—Jenius, Money and the Mechanism of Exchange, page 218.

Anderson, in his Manual of the Constitution, page 116, says:

The power to coin money is an attribute of sovereignty, and is therefore properly vested with the General Government. Without doubt Congress would have possessed the power had the Constitution contained no specific grant to this effect. A subsequent clause of the Constitution confers the power.

On this point the opinion of Daniel Webster, who won the title of "Constitutional Exponent," is timely and conclusive:

By denying the State all power of emitting bills of credit, or making anything but gold and silver a legal tender in payment of debts, the whole control over the standard of value and medium of payment is vested in the General Government. Delegating this power to the States, a just restriction would be to this provision: "Congress shall have power to coin money, emit bills of credit, and make the organization and circulation of the issue lawful in payment of debts." Franklin said that the statesmen of Europe could not understand the principles of their system. It was his system: "The American Revolution was wrought in paper; the American Republic is that which is entirely founded on the creation of paper money, and the paper which gave us prosperity in war may be used in peace.

The gentleman from Missouri [Mr. BLAND] said:

States, in the regulation of commerce, a power which is exercised by all sovereign nations upon the earth.

The amount of the currency of the country should bear a certain proportion to its trade, revenue, population, and expenditures. The business of civilization cannot be limited in any degree to the accidental discovery of any metal, or to the selfish interests of any commercial class. Shay's bills are good paper money. The American Republic is that which can be controlled by Congress in the quantity adapted to the increase of population and the increasing needs of civilization, and which shall be given exclusively by law, and controlled by the people through their representatives. The policy of the American statesman should be to gradually increase the currency to correspond with the increase of population and the industries of the country, and thus raising the stock of labor, in which consists all real power and riches.

Money is the legal measure and representative of value. There is no commodity of value in machines or materials that sustains the soul, and that is a standard of anything which has weight, length, breadth, or thickness, but not of a thing which is ideal. The Supreme Court has said, "The gold or silver thing we call a dollar is in no sense a standard of a dollar. It is a representative of it." The power fixes its representative. Money is that which law requires the creditor to receive in payment for debts. The great political economist Say has shown that most of the European wars of the eighteenth and nineteenth centuries were caused by the principle relating to this subject. The destruction of the people's money in the American colonies by the English Parliament was one of the great causes of the separation. The contrary is the case in America. The American Revolution in England in 1820 caused suffering, starvation, cries for bread, and shooting of the hungry people. The recent fearful suffering, labor and property, on the part of the great destruction in England, is the result of a false financial policy. Governor Moegrove recently said:

I suppose the teachers of no science have so much human misery to answer for or have associated so much fraud as the doctors of political economy.

Aristotle, the great Greek philosopher, was right when he said, "Money does the work of a god." Adam Smith, the great English economist, said, "It is worth most for a nation's currency which is worth least to other nations." Our Franklin taught the same philosophy. Money issued by the Government and not by bankers, that is, the principle of paper money, would be perfectly safe from abuse, and it would put an end to that periodical fluctuation of prices, commercial crises, panics, paralyzed system, and crime which have cursed every land whereurious Shaylocks have controlled the issue of currency in the interest of individuals independent of the government.

Thomas Jefferson, in his letter to Mr. Equi, says:

Bank paper must be suppressed, and the circulating medium must be restored to the nation to whom it belongs. It is the only fund on which they can rely for the support of their systems and institutions for every necessary purpose. Treasury bills, bottomed on taxes, bearing or not bearing interest, as may be found necessary, thrown into circulation will take the place of so much gold or silver, which last, when crowded, will find an ebb into foreign countries, and thus keep the quantity of medium at its lawful level.

Benjamin Franklin, in reference to our currency, said:

On the whole, no method has hitherto been found to establish a medium of trade, equal in all its advantages to bills of credit, made a general legal tender. Paper money, well founded, has great advantages over gold and silver, being both light and convenient for handling in large sums, and not likely to be reduced by demands for exportation.

Mr. Calhoun also said:

I now undertakes to affirm, and without the least fear that I can be answered, that a paper issued by Government, with the simple promise to receive it for all its obligations and its ceditions to take the same place as gold or silver, must be stable and vass at the extent it could circulate, form a perfect paper circulation, which could not be abused by the Government; that it would be as uniform in value as the notes themselves, and I shall be able to prove that it is within the Constitution and power of Congress to create such a paper, and the use such a paper as an instrument of government, according to the most rigid rule of construing the Constitution.

The framers of the Constitution had been accustomed to the use of paper money, which should have been legal paper, and made it a tender in payment of debts until the Parliament of England took from them this power. At the very beginning of the war Massachusetts and other colonies disregarded the British law and printed money and made it a legal tender. ( Bancroft's History, volume 7, page 324.)

From the formation of the union of the colonies in 1774 to the present Congress, the government has been issuing paper money mostly. It was that paper that gave us a country, as it was the greenback that saved us as a nation.
The United States Supreme Court in December,1859,(12 Wall.) fully conformed to our views, in the following language:

Indeed, legal-tender Treasury notes have become the universal measure of value; the words ‘to coin money’ have become an instrument of the grossest injustice; all debtors are-load with an obligation; it was never contemplated that they should assume; a large percentage is added to all debts; practically becomes the only means of saving any any ruinous excise, general distress, and bankruptcy may be expected. These consequences do not follow from the very use of money coined, but are the result of an intentional restriction of its use to Treasury notes. Congress has, in fact, substituted for the payment of its debts a sumptuary law to that of a coin. The Constitution speaks, how sensible its framers must have been to the want of uniformity in the whole range of its power.

Regulating the value thereof, and of foreign commerce is not the only power over the currency which the States only, it was for the purpose of concurring in the acts and in the hardship of their operation. The Constitution does not ordain what may be coined or prescribe that the legal value of the metals when coined shall correspond at all with its intrinsic value. It has no such effect even upon the weights and measures, which are the object of the latest and most general power to be remedied was the want of uniformity in the value of money, it might be argued, we say, that the gift of power to coin money and regulate the value thereof was meant that because certain powers over the currency are impliedly involved in the power to coin money, and that this might be done by coin or bullion. Indeed, legal-tender notes must be a legalization of their true value.

The case of Veazie Bank vs. the United States, 11 Wheat., 344; and that of an act declaring Treasury notes a legal tender for the payment of debts contracted after its passage, The Constitution takes no more notice of the acts and in the hardship of their operation. It is that they indirectly impair the obligation of contracts. There may be a large percentage is added to all contracts (not expressly prohibited by the spirit of the Constitution, because they indirectly impair the obligation of contracts)

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private to carrying on war. Though not conferred as a substantive power, it has not been thought to be in conflict with the Constitution because it impairs no individual contract. It may fairly call for a new reading of the Constitution.

If it be true, then, that legal-tender acts were justly chargeable with impairing contract obligations, they would not, for that reason, be forbidden, unless a different rule is to be applied to them from which it has hitherto prevailed in the construction of other constitutional provisions. Fundamentally the reason, as already intimated, is thatifespect misapprehends the nature and extent of the contract obligation spoken of in the Constitution. The expression 'property in the nature of a contract' is ownership subject to the lawful demands of the sovereign, so as referring only to men. A contract is an expression of mutual assent, or a mutual agreement upon the premises environing a great loss; may, indeed, render valuable property almost valueless. They may be made illegal, but not here altered, a tariff could not be changed, or a non-intercourse act or an embargo be enacted, or a war be declared.

By the act of June 28, 1834, a new regulation of the weight and value of gold coin was adopted and about 6 per cent. was taken from the weight of each dollar.

The conduct of the coinage was to have a uniform standard of weights without weight, or of measures without length or space, and we are asked how anything can be made a uniform measure, or a standard of value, if this is not to be subject to the arbitrariness of the coiners before us. The legal-tender acts do not attempt to make a standard of value, or a measure of it; for that they could not.

The creditor who had a thousand dollars due him on the 1st day of July, 1861, would be reduced to a thousand dollars less at that time, in three years, a coined gold of the weight and fineness of the then existing coinage. The day after, a new coinage was made in reference to the possible exercise of the right of the authority vested in Congress.

Here are many things which we might say; but we will not be more about it. We are not aware of anything else which has been advanced in support of the proposition that the legal-tender acts were invalid. There have been few others; and it is not that every hardship that is inact, much less that it is unconstitutional; and certainly it would be an anomaly for us to hold an act of Congress invalid because it has been the cause of some personal inconvenience to the individual.

We are not aware of the existence of any question of that nature either.

The Secretary of the Treasury in his report for 1879-80, volume 15, pages 50, 9, says:

No distinction has been made since that time between coin and United States notes in the collection duties or the payment of the present, and upon the public debt. The great body of coin indebtedness has been paid in United States notes at the request of creditors. The total amount of United States notes presented for redemption from January 1 to November 1, 1879, was 811,250,757. This sum has been demanded by law during the same period, the amount accrued exceeding $200,000,000. Money is now freely paid into the Treasury, and the amount of notes in circulation at the 30th September, 1878, was $129,500,604.50 to $132,717,155.48.

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We are losing $2,000,000 or $3,000,000 a year by letting this large amount of unpopular currency remain in the Treasury. The dollar was issued, and from time to time the government has made legal tender acts worked. But was it ever imagined that this was to pay them before. The result was thus precisely what it is supposed to do. But was it ever imagined that this was to pay them before. The result was thus precisely what it is supposed to do.
duties and other purposes the same as gold, were worth more than gold until the present time. The legal-tender paper money is made "instantly" redeemable in all the commodities of commerce.

The political economist whose Senatorial vision appears to be limited to a State smaller in territory and population than many of our Western districts such as Illinois.

To make such system (of paper money) redeemable it must be absolutely and instantly convertible at the will of the holder into real money, into coin of the standard value.

The distinguished Senator seems to overlook the fact that the supply of precious metals is absolutely and instan-
tely convertible into all commodities without the necessity of purchasing at the great expense of hundreds of millions of dollars and holding without use any single commodity. Such language is contempt of government, and was only used by Tories during the American Revolution and by the enemies of the Government during the late war. It would be absurd, if it were not morally criminal, to deceive and unnecessarily and unjustly tax the American people. The producers of wealth and the tax-payers have lost annually hundreds of millions of dollars because of this stupid ignorance and barbarous absurdity and unlimited fraud commonly called "paper money."

We have now used the legal-tender currency during the last twenty years. It has performed all the functions of money. The people have learned that the price of everything is "in" it; that is, the value of obtaining a sufficient quantity for a currency. If it could be kept uniform, and gradually increase in the proportion of increased wealth, commerce, population, and production, the principal evil would be the immediate cost of removing it, and the effects on the whole population bad become recipients of the laboring classes, who were thus thrown out of employment. The number of bankruptcies doubled and the stagnation was most disastrous to the working classes, who were thus thrown out of employment. The number of bankruptcies doubled and the stagnation was most disastrous to the working classes, who were thus thrown out of employment.

The increased demand for the specie, that the disaster of the Dark Ages was caused by the removal of the precious metals and increasing wealth, commerce, population, and production, the principal evil would be the immediate cost of removing it, and the effects on the whole population bad become recipients of the laboring classes, who were thus thrown out of employment. The number of bankruptcies doubled and the stagnation was most disastrous to the working classes, who were thus thrown out of employment.

It is a suggestive coincidence that the first glimmer of light only came with the European Revolution, and the last glimmer of light was seen in the result of the revolutions of the last two centuries. The European Revolution, with its conflagration of institutions and its results, was caused by the discovery of the precious metals and increasing wealth, commerce, population, and production, the principal evil would be the immediate cost of removing it, and the effects on the whole population bad become recipients of the laboring classes, who were thus thrown out of employment. The number of bankruptcies doubled and the stagnation was most disastrous to the working classes, who were thus thrown out of employment.
their influence in raising prices was moderated and soon entirely arrested by the increasing population and commerce which followed them. In the twenty-five years between 1830 and 1855 the money stock of the world was more than doubled, and yet at no time during this period was the general level of prices raised more than 18 per cent above the general level in 1818. A contraction of an increasing volume of money after 1844 with the effect of a decreasing volume between 1839 and 1848 strikingly illustrates how largely in degree is the influence upon prices of an increasing or decreasing volume of money. The decrease of the yield of the mines since about 1850, while population and commerce have been advancing, has already produced unmistakable symptoms of the same general distrust, non-employment of labor, and political and social disquiet, which have characterized periods of shrinking money.

It is a fact well established by the history of nations, that an increase of currency, well founded, always has and will cause prosperity for the laboring, manufacturing, mercantile, and producing industries. And it is a truth, a truism, that a contraction of the currency always has and will cause high rates of interest and prostration of business; thereby causing universal bankruptcy, pauperism, ignorance and crime, human suffering and hard times.

During the panic of 1793, in England, William Pitt had the paper currency increased $25,000,000. It stopped the mania and gave prosperity to the country. The drain of the money from England to carry on her Napoleonic wars threatened to ruin the kingdom, and on February 25, 1799, the Parliament of England authorized the Bank of England to suspend specie payments and to issue its bills without limit, and as legal tenders, and pursuant to this law the increase of $30,000,000, stayed the panic and gave prosperity.

In 1818, the Bank of England, after a severe depression, left in England, and 30 per cent. was paid to obtain coin to carry on its peninsular war, it again increased its legal-tender paper currency $76,000,000, and paid out $150,000,000 in gold to revive all the industries of the country. Alison in his History of Europe speaks of the unparalleled prosperity it caused. This currency increase was suspended after 1821. In 1818, and the paper currency in England reached $414,390,350. Of this period the historian speaks as follows:

The paper circulation of Great Britain had increased during the drain of the metals, which was compensated for their want. In 1818 the currency reached $480,000,000 in England alone, a larger amount than in any previous year of the war. Hence the prosperity in this country which consisted with the most serious pressure and distress on the Continent. — Alison's History of Europe, volume 1, pages 356-357.

The great paper currency guaranteed by all the allied powers, issued so plentifully during 1813 and 1814, and which had circulated as currency to the value of $250,000,000 to the Wall of China, gave great prosperity to the whole country until 1817 and 1818, the period of contraction on the Continent.

Full of prices of wheat on the Continent from 1817 to 1819 caused by contraction of the currency.

<table>
<thead>
<tr>
<th>Locality</th>
<th>Mar. 1817</th>
<th>Sept. 1819</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vienna</td>
<td>114</td>
<td>115</td>
</tr>
<tr>
<td>Munich</td>
<td>131</td>
<td>132</td>
</tr>
<tr>
<td>London</td>
<td>81</td>
<td>82</td>
</tr>
<tr>
<td>Lisbon</td>
<td>117</td>
<td>121</td>
</tr>
<tr>
<td>Dublin</td>
<td>90</td>
<td>91</td>
</tr>
</tbody>
</table>

(See Alison's History, volume 2, page 383.)

The hard times on the Continent during 1817 and 1818, caused by contraction of the currency, during the same period that England was enjoying prosperity caused by inflation of the currency, is another of the many lessons of history showing the power of government to cause prosperity by inflation and to cause hard times by contraction.

Alison, in his History of Europe, says:

The contraction of the currency in England in 1818 to 1820 caused fearful suffering. It was a truly practical and wise measure to see the streets of Manchester and the chief towns in its vicinity filled with vast crowds, sometimes 10,000 in number, whose wan visages and lean figures tell a tale of their sufferings, snatching their food from bakers' shops.

The legislation causing a contraction of the currency reduced the wages of laboring-men one-half. Yet the party in power declared that between 1818 and 1819 England was drowned by extravagant speculation. The historian says:

This affords an example of the ease with which a powerful party can succeed in deceiving the public mind and conducting a nation amidst universal applause to the very measures most destructive to its prosperity.

That English historian continues:

The British Empire in the whole of 1818 and commencement of 1819 was beginning to taste the fruits of peace and prosperity; and industry revived, and supported by a currency at once adequate and daily limited, was flourishing in all its branches. This was a period of great changes of fortune and enterprise; all the time while the scarcity of money on the Continent was involving all classes in unheard of distress.

But this flattering prospect was of short duration. Great Britain was surprised by a turn of fortune that carried Commerce and Prosperity with it, and it is openly true that the prosperity was felt in every branch of industry. In the next two years they contracted the currency $75,000,000 more, and the historian points the disastrous condition and fearful suffering of the people of England.

Between 1818 and 1821 the paper of England was contracted from $240,000,000 to $150,000,000, or $90,000,000, and the exports and imports of England were confined to such a degree, that all business was suspended and laboring-men were thrown out of employment.

The following tables from Alison's History of Europe, volume 2, page 329, will show the decrease of currency from 1815 to 1822, (Tooke on Prices, 2, 120):

<table>
<thead>
<tr>
<th>Years</th>
<th>Bank of Eng-</th>
<th>Country bank-</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>land</td>
<td>ers</td>
<td></td>
</tr>
<tr>
<td>1816</td>
<td>$277,721,000</td>
<td>$246,507,000</td>
<td>$524,228,000</td>
</tr>
<tr>
<td>1817</td>
<td>$249,100,000</td>
<td>$197,766,000</td>
<td>$446,866,000</td>
</tr>
<tr>
<td>1818</td>
<td>$224,471,000</td>
<td>$125,076,000</td>
<td>$349,547,000</td>
</tr>
<tr>
<td>1819</td>
<td>$214,172,000</td>
<td>$116,416,000</td>
<td>$330,588,000</td>
</tr>
</tbody>
</table>

The following table (Alison's History of Europe, volume 2, page 329) shows the decline in prices of the products of labor from 1819 to 1822:

<table>
<thead>
<tr>
<th>Year</th>
<th>Wheat, per bu.</th>
<th>Linsey, per lb.</th>
<th>Rye, per bu.</th>
<th>Hemp, per lb.</th>
<th>Rents, per week for a 5 -room house, per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1819</td>
<td>$2.84</td>
<td>67</td>
<td>1.75</td>
<td>20</td>
<td>$48.35</td>
</tr>
<tr>
<td>1820</td>
<td>2.60</td>
<td>63</td>
<td>1.65</td>
<td>20</td>
<td>46.70</td>
</tr>
<tr>
<td>1821</td>
<td>2.37</td>
<td>60</td>
<td>1.55</td>
<td>20</td>
<td>43.05</td>
</tr>
<tr>
<td>1822</td>
<td>2.14</td>
<td>57</td>
<td>1.45</td>
<td>20</td>
<td>39.40</td>
</tr>
</tbody>
</table>

Mr. Vansittart gave the following table in his report to the Parliament of England in 1811, to show the necessity of a further increase of paper money, which he thought was essential. He said:

The amount of currency must bear a proportion to the amount of trade, public revenue, and expenditure. The average value of exports and imports, revenues and expenditures, and bank-notes of Great Britain, for three years previous to 1797, stood thus, (official value):

Imports and exports, average of three years $744,000,000
Increases, including loans $665,000,000
Expenditures $273,000,000
Bank notes in circulation $34,145,395

The same average for three years, ending January 5, 1811, was as follows:

Imports and exports $800,000,000
Decreases, including loans $695,000,000
Expenditures $343,000,000
Bank notes in circulation $34,145,395

These figures show the same fact as the others, that with an average of nearly double the paper money in the country for each period of three years, it nearly doubled its business as a nation.

It was by adopting the theory of Vansittart to increase the paper money that England was generally prosperous, and that country prospered. Our country was prosperous in war by the adoption of the same theory. By the adoption of the theory of bullionists in 1819 in England riots were caused by hungry men seeking employment and bread. The contraction policy in this country from 1850 to 1875 placed the debtor classes at the mercy of Shylocks by shrinking values, thereby doubling the indebtedness, discouraging industry, filling the land with bankrupts and criminals. It stopped the building of railroads; it stopped the tide of immigration; it cured
The following statement shows the expenditures of the United States mints and assay offices for the fiscal year ended June 30, 1881:

<table>
<thead>
<tr>
<th>Year ended July 1</th>
<th>Total interest-bearing debt</th>
<th>Interest</th>
<th>Cash in Treasury July 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1877</td>
<td>$1,716,483,559</td>
<td>104,780,688</td>
<td>44</td>
</tr>
<tr>
<td>1878</td>
<td>1,768,389,059</td>
<td>117,119,815</td>
<td>21</td>
</tr>
<tr>
<td>1879</td>
<td>2,027,687,489</td>
<td>180,346,944</td>
<td>47</td>
</tr>
<tr>
<td>1880</td>
<td>2,158,655,459</td>
<td>106,348,271</td>
<td>29</td>
</tr>
<tr>
<td>1881</td>
<td>2,228,750,239</td>
<td>92,770,899</td>
<td>22</td>
</tr>
<tr>
<td>1882</td>
<td>2,272,783,420</td>
<td>105,107,728</td>
<td>24</td>
</tr>
<tr>
<td>1883</td>
<td>2,373,167,600</td>
<td>85,537,775</td>
<td>11</td>
</tr>
<tr>
<td>1884</td>
<td>2,607,935,690</td>
<td>82,908,741</td>
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<td>18</td>
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</table>

(See Comptroller's report, 1881, page 146.)

The above tables show that under the deceptive pretense of specie resumption our specie-basis financiers contracted the legal-tender currency $35,319,064 during the three years from 1876 to 1878. The national banks contracted their circulation $92,305,485 during the same period. The national interest-bearing debt was increased $72,000,000 during the same period. All this contraction of the currency and increase of the interest-bearing debt was made while there was a continual increase of population, and the people were suffering hard times caused by previous contraction of paper money and the demonetization of silver. Who shall be held responsible for this specie-basis absurdity, this pagan idolatry which annually robs the people of millions of dollars held out of the circulation for paper currency? Why are the people taxed to pay for and store for this gold and silver money which the people must and have to pay in exchange for paper currency? The national banks, by the above table, show that the people paid $105,473,768.38 for distributing standard silver dollars within the year previous to June 30, 1881. It also shows that the people paid $23,763,460 for distributing fractional paper currency during the year. These are extraordinary. In addition to the interest paid annually upon the bonds used to purchase the silver bullion. Will some specie-basis banker who must have what he calls "real money" please rise and tell the American people how much money was ever paid for coinage, for interest, and for distribution upon the legal-tender paper dollars and fractional paper currency. Will the above statement please explain why it is so difficult and so expensive to get this (so-called) world's money into circulation? Why the people are taxed to pay for and store for this gold and silver money which the people must have to deposit in exchange for paper currency?
CONGRESSIONAL RECORD—HOUSE.

We have had a number of shrinkage of values and universal para-
lysis of industry, of hard times, of bankruptcy, pauperism, fearful
distress in all the States, and every State, and in all the cities, and every
family, distress was urged on to desperation, till at last "human na-
ture clouded the rights of property," as the English law book puts it.

The British Government took away from America its representative
money, the most precious things, and caused them to be dexterous and
crafty in contracting the currency, which caused a contraction in three
years of $737,364,719, according to the Treasurer's report in 1865.

In the last Congress, on December 27, 1863,

During the last forty years, (from 1829 to 1869) the currency has been contracted by the withdrawal of the 3 per cent. certificates, compensating-interest notes, 7-1/2 per cent. bonds and paper money, and in 1861 the banks in the District of Columbia took the place of legal
tenders in the banks reserves to the extent of $800,000,000.

We have a number of shrinkage of values and universal para-
lysis of industry, of hard times, of bankruptcy, pauperism, fearful
It is $563,380,960. The Secretary also reports cash in the Treasury,
$439,303,415. The Director of the Mint reports $289,066,185 at the
mints and in the Treasury.

We have coined a portion of that material into money; the re-
mainder we hold in bars ready for the commerce of barbarous nations.
It is idle to debate these accumulations to stop its natural increase.

They are adapted to the intelligence and demands of the
bondholders of 1869; make them take the metal or legal-tender paper
and hold it in their vaults; give them the option of the metal or
the legal-tender non-interest-bearing paper, and we have such confidence
in their intelligence and civilization that we have no doubt that the
same cause, the same cause, that caused them to be issued with gold and silver dollars left in the Treasury at the present hour.

CONTRACTION IN THE UNITED STATES.
The silver commission, composed equally of Democrats and Repub-
licans, and presided over by a distinguished Republican
Senator SHERMAN, of Ohio, say concerning the effect of this contraction, on page 50 of their report:

If all the debts in this country had been paid off by an act of legislation, it would have been a far less calamity to the debtor and to the country than the in-
crease in their real burden already caused by a contraction in the volume of credit, the loss of money, the loss of value under the punishment that the
burden of debt is the universal stagnation of industry and commerce, resulting from the same cause.

Senator SHERMAN, on the 37th of January, 1859, predicted this very result in the following language:

It is not possible to take this average [of contraction] without the severest distress to the country. The capital laid out of dollars has been lost, and it is a period of loss, danger, stagnation of trade, fall of wages, suspension of enter-
prise, and distress to the master.

Silver commission, pages 25, 10, 115, 35, 167, 4, volume 2, for 1876-77.

A shrinking volume of money and falling prices always have and always remain in the country to the end of thirty years, without any
But it is evident that important element of value conferred upon it by the skill,
and care of the debtors from whom it is wrested. But it

The worst effects, however, from a practical point of view, are the falling prices and the falling volume of money. This is a perpetual
shelters us from the

The estimates of Dr. Morellet, said:

* * * It is one of the advantages of our present system of irredeem-
able paper that it shelters us from the recurring demands for gold by the Bank of England for its treasury purposes. This paper money is thus more valuable to us than to the countries where the precious metals bear no scientific relation to the increase or decrease of population.

* * * If Congress can demonetize silver it can demonetize gold; or both gold and silver can be demonetized at the same time. Narrowing money to gold is for the intended although really foolish advantage of creditors. Creditors would lose less than debtors by using any substance or any form of paper. 

* * * Manifestly the real reason for the demonetization of silver was the apprehension of the cred-
itor classes that the combined production of the two metals would raise prices and cheapen money unless one of them was shorn of the money function. In Europe this reason was distinctly avowed.

The silver commission of the Second session of the Forty-fourth Congress, page 55, says:

We have, in this country, diminishing and prices are falling the lender not only
receives interest but finds a profit in the greatly increased value of the principal
that he has loaned. A loss of paper money paper in 1861, if repaid in 1866, you
have been repaid with an addition of 145 per cent. in the purchasing power of
principal, and 180 per cent. in the interest.

This was the money system under which the American colonists
prospered. In 1776, Dr. Morellet, in his correspondence with the
Secretary of the Treasury of France, got approved by the President of France:

"The worst effects, however, economically considered, of falling prices is not
upon existing property nor upon debirs, evil as it is, but upon laborers upon whom it
depresses of employment and consigns to poverty, and upon society, which it de-
prives of that vast sum of wealth which resides potentially in the vigorous arms
of the idle workman. A shrinking volume of money transfers existing property
unnaturally and causes a concentration and diminution of wealth.

It does not impair the value of existing property by eliminating from it that important element of value conferred upon it by the skill,
energy, and care of the debtors from whom it is wrested. It is done by the
inhabitants of the land, and is their property. It is so despised that family
is reduced to the amount of money capital paid to work, who are
are idle because they cannot obtain employment. This vast poverty-
striken army is increasing and will continue to increase as long as falls, up to the point of separation of money capital, of which wages is paid, from labor, and to discourage its investment in other forms of property. Under the false pretense that the legal
tender will be again paid in gold, the amount in circulation, the
specie-basis doctors enacted a law in 1856 providing for the con-
tinuation of the currency, which caused a contraction in three years of
$737,364,719, according to the Treasurer's report in 1865.

President Grant, in his message of December, 1873, said:

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upon existing property nor upon debirs, evil as it is, but upon laborers upon whom it
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During the last forty years, (from 1829 to 1869) the currency has been contracted by the withdrawal of the 3 per cent. certificates, compensating-interest notes, 7-1/2 per cent. bonds and paper money, and in 1861 the banks in the District of Columbia took the place of legal
tenders in the banks reserves to the extent of $800,000,000.
currency of the Venetian Republic was also based upon the credit of the people. Let the gold idolaters who teach that paper money "must be instantly redeemable in the single commodity of gold" learn from the history of the Venetian Republic that, during a period of over four hundred years, the credit of the people in any specie basis, were worth 20 per cent. more than the purest gold.

VEGETARY MONEY.

The historian says:

In 1711 the Republic of Venice was engaged in one of the political contests which at that time were carried on in Europe, and known as the War of the Spanish Succession, and at the same time it had to equip a fleet against the Emperor of Germany. Rich enough as to be able to muster a great army, and well provided with money, it was in need of money, as it was at the time of deliberation in the Council of Ten, as to the best way of raising the necessary funds to equip and supply its most important army. The money thus collected was used to stock a bank, called the Bank of Venice, established in 1731, and entitled to a 4 per cent. annual dividend on his loan to the state. These forced loans were entered in a book; and so, in course of time, some contributors found themselves pressed for money. In this way such transfers gradually became recognized as a very common and usual thing, and thus facilitated this facility of transfer, coupled with the security, guaranteed by the power and wealth of the republic, led to a very great circulation of the coin. Gradually all the child money of the most practiced thieves, and if they were payable to the order of the holder, they could not be raised and transferred at his own discretion. Time could touch them and deprive them of their original value; for, if worn out or hole, and it burnt or sunk in the seas, they could be reissued. Nor could the Venetian Republic have shown this by the testimony of the people.

The estimated losses to creditors from the failures of national banks during the eighteen years since the passage of the act, is $8,270,000. (Counsellor's report, page 61.) Making an estimate from the net profits as shown by the above table, if the banks were to issue all the currency, what time would be required to absorb all national banks. Would there be any necessity for paying high salaries to thousands of bank officers and agents, if all money were issued by the Government?

SPECIAL PRIVILEGES GRANTED TO NATIONAL BANKS.

1. The Government holds their bonds in safe-keeping for them.

2. It collects the interest on their bonds from the people and pays it over to them free of charge.
In 1882, [Mr. Hewitt, Democrat] says, (Congressional Record, March 30, 1882): 

The resources of the country had been overstrained and exhausted by the expenditures of the war, and by the "dellrium" of an "inconvertible paper currency," and that a gold standard of currency had produced an amount of currency which was not justifiable. The reaction was necessarily severe. It did not and could not cease until the currency was placed on the solid and investible currency of gold, the universal standard of value in the world of commerce.

Now, the result of the cessation of the era of depression, stagnation, rest, and reaction which followed the panic of 1873 and the revival of business was due to the substitution of good money for bad money.

Will the gentleman please tell us what he means by the substitution of "good money for bad money"? Does he mean the redemption of silver and the coinage of silver and gold? Or does he mean the coinage of silver and gold coins which he called "inferior, cheap, and cheating; flat dollars" in his speech of February 19? Or does he mean the millions of silver dollars which have been deposited in the Treasury in exchange for legal-tender paper money or silver certificates redeemable in those "cheap and cheating" fiat silverdollars? Does he mean that the $400,000,000 legal-tender paper ordered into the circulation as permanent money in 1878 and now worth a premium over gold was the good money which gave us greater prosperity? Was the receiving of legal-tender paper for import duties, which made the paper money worth more than gold, what the gentleman means by "substitution of good money for bad money"? Does not the gentleman understand that the $400,000,000 added to the currency since 1878 is a law enacted for their special benefit on June 8, 1882? It authorizes the Treasurer to import silver or even nominally convertible into silver, that he may thereby economize in his outlay, and thus contract and reduce the expense of his office. It allows them to draw interest on their bonds (i.e., their paper), and to purchase the bonds with the money which they wish to pay interest on. It gives them the chance to sell high and to buy low. The honorable gentleman from Iowa, [Mr. Kasson, Republican], at the beginning of the session of March 28, 1882, said:

"But, say gentlemen, how about the disaster of 1873? I see the question in the faces of my friends as if it were an inquiry whether the great disaster that the country was subjected to, under the influence of overproduction both at home and abroad extravagance and mismanagement, were it not for that there is some satisfaction in the statement which I have endeavored to make. The system teaches people to deceive, to be dishonest. The great first railroad that broke down took others, the whole iron in the bottom of the whole system of credit was thrown down. The first great railroad that broke down took others, the whole iron in the bottom of the whole system of credit was thrown down. The system has been carried on securely for sixty years as never before. They demand their own legal-currency was placed on a reorganization of the communes and the revo-
The large increase of money in the United States since 1875, as the gentleman from New York will notice, has changed the hold of the industries of the country. As contraction of the volume of money caused hard times, so inflation gives us prosperity. This is the simple repetition of the history of all nations in all ages of unemployed and hungry men who were scandalized and imprisoned, and who were put in chain-gangs as tramps, by those who had robbed and starved them through unjust legislation, have been awakened to new life and hope as honest and industrious Americans. During the year 1880 those industrious people built $1,741,856 of new lines of railroad, and in 1881 an additional amount of $2,042,856 of roads, and all other enterprises have been developed in proportion. Should not those heartless specie-basis law-makers be held responsible for the contraction of the currency during ten years? With the evils of history opening before them, shall those men be allowed to plead ignorance in justification of such national wrong?

When we read of the James brothers, of the outlaws of the mountains wreaking occasional vengeance upon the roads and towns, of the lawless terror at such human depravity. But how much more alarming are the consequences when all of our industries are paralyzed, a whole nation prostrated in fearful gloom during a period of years by a series of unjust legislation and unjust laws there be an escaping immigration in the dwarfed childhood and crushed mankind caused by this specie-basis idolatry?

A few years since chattel slavery was the corner-stone of the American Republic. To doubt the divinity of this institution was a heresy not to be tolerated. To-day the Rothschilds and their agents in Wall street dictate reverence to their gods of gold, the limitation of commerce, and American civilization to their system of paganism, by means of which the nations have been cursed and enslaved.

A grand army of specie-basis law-makers, of 500,000 brave and intelligent men, with the flag of Jefferson and Franklin, are moving steadily and rapidly upon the enemy's works. We say to those specie-basis conspirators, who stopped the growth and progress of the American States during a period of many years, and caused hard times in spite of God's sunshine and rain and bountiful harvests—the past is yours, but the future is ours.

In behalf of the American people, who have confidence in a government by the people and for the people, we demand that the people's currency, unjustly taken from the people, be restored to the circulation and put to the use for which they were intended. There be any just retribution for the suffering of the homes of hundreds of thousands of industrious and innocent people and for the filling of the lands with thousands of bankrupts, paupers, and criminals.

We have shown by the testimony of the Secretaries of the Treasury that the creditors prefer the legal-tender paper to gold or silver. Why not let them have it and stop interest? We had an immigration equal to 600,705 people during the year 1880, and 790,945 during the year 1881. We have reason to expect even a larger immigration in future years. We demand an increase of the currency equal to the increase of population and the increasing demands of business.

We question the policy, the wisdom of Government purchasing millions of dollars' worth of gold, silver, iron, lead, wheat, cattle, or any other commodity and holding it without using it to sustain the credit of our Government. The producers of wealth, the tax-payers, intelligent Americans, students of Jefferson and Franklin, want no such unjust legislation in the interest of money speculators, bankers, usurers, Shylocks, and tories. History proves that gold was never a money of a people struggling for freedom. The gold of King George paid armies to butcher, scalp, murder, and burn, during seven long years. Their bayonets were driven from this land without gold. When a few years since English pirate-ships preyed upon our commerce, they were driven from the seas without gold. During the fearful trials of the late war our soldiers were without a farthing.

This coin-idolatry has cursed this land, as it has cursed all lands, with periodical panics, hard times, and human slavery.

It was a good sign of our opportunity to reform the government, few men to control all the wealth and to absorb all the products of industry. Relieve the people of the absurd idea of the necessity of a commodity value in money, of the barter trade of barbarism; teach them that governments have supreme power to establish legal values for all of the exchanges of civilization, and you strike down the chains of slavery and remove the opportunity for the few to rob the many. This coin-idolatry has caused the people to use that money which is now idle; to stop interest, to increase the circulation equal to the demands of business, and give employment to labor, develop the resources of the country, give encouragement to all wealth, and elevate our American people to a higher station.
Mr. KIRK at the Bar. Mr. Speaker, if Congress had one single mind and if its opinions could be uttered through the medium of one tongue, I would like to listen to the answer which this Congress would give to the questions which are suggested by the bill under consideration. This bill (H. R. No. 4167) is the result of a complex process of gestation in the Committee on Banking and Currency, and bears the title of "a bill to enable national banking associations to be authorized and chartered by the Board of Governors of the Federal Reserve System." As a matter of serious import to the people I represent, as well as to the people of the United States at large; and I propose, Mr. Speaker, to discuss briefly the nature of the question involved in the adoption of the said bill. The antithesis of the measure before us is the cornerstone of the National party, which I have the honor to represent in this House.

The position before us is the rock of offense of both the old parties of the country against the welfare and wishes of the people. Were I to include, as I very properly might, upward of sixty Democrats and nearly a score of Republicans, with the little group of Nationals on this floor who owe their selection as Representatives here to their antagonism to the purposes of this bill, I might claim that no one measure, not even the tariff, had so vital a hold upon public sentiment, had so much to do with the character of this House and has so much to do with the character of the next two Congresses that is at stake here, as the measure which is being driven through this body with unbecoming and insconsiderate haste at the bidding of the favored few, the privileged class, the potent plutocrats, the commercial cliques, and the corporate cabals who demand of this bill in their interests, with as little discussion as possible, and with all the speed that the fear of an awakened and growing public sentiment can urge, to the flying feet of the financial pirates which have our castle within their grasp, and are slipping the bolt of this bill as a law to guard their threatened access. What, Mr. Speaker, is the reason for this bill? Speaking for the people generally who do not own banking franchises, and for the people of my own State and district in particular, I ask this Congress, What do you mean to do by passing this bill? Who asks for its passage? What interests are to be preserved? What evils are to be averted? What errors are to be corrected? And what benefits are to result, and to whom are the benefits to accrue from the passage of this bill? The bill proposes to extend the existence of a class of corporations that exist not for the purpose of producing anything, not for agricultural, manufacturing, educational, charitable, or even strictly commercial business purposes. A class of corporations that add not a dime to the wealth or interests of the people; a class of corporations that in the present state of civilization do not contribute to society as much as a traveling circus that amuses the multitude, nor add to the security of our national treasury for twenty years. The purposes are to be conserved, to be promoted, and the interests to be preserved by the bill. It is not for the common welfare and convenience of the people, or for the sake of issuing the money of a nation is one of its most important sovereign attributes. These are powers that every nation guards with jealous eye, and which none allow to be infringed upon with impunity. Why, therefore, should we create, countenance, or continue a favored class of citizens, or of artificial persons known as corporations, to whom we unlawfully and unconstitutionally delegate one of the sovereign attributes and functions of the Government! What excuse have we for giving to corporations the power to issue money? The existence of such corporations is an anachronism; it is a relic of the old State system which the present Federal Government is exclusively vested in. We no longer insist on wampum and coon-skin currency, although the law which protected the issue of such currency is on the statute books; and in this land to see to it that the Union, the tenth amendment to the Constitution declaring that all powers not delegated to the Federal Government are reserved to the States or to the people thereof. Like the powers to levy taxes, duties, and imposts, the powers to declare war, to make treaties, to maintain an army and navy, to establish post-offices and post-roads, the power of making coins, or issuing the money of a nation is one of its most important sovereign attributes. These are powers that every nation guards with jealous eye, and which none allow to be infringed upon with impunity. 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The distinguished gentleman from New York, [Mr. Flower,] who seeks to throw a tub to the whale of popular indignation over the threatened passage of this bill by allowing the banks to be sued in the State courts, and by making the law applicable under the conditions that now exist to favor these institutions.

Banks of exchange, discount, and deposit we must have at present, but the caprice of the public cannot be so made as to require that they should be authorized to circulate as currency, and to take the place of the dollar of currency. The public must always be protected against the interference of commerce, justice, and labor's rights to uniform standards which shall not be made to fluctuate according to the caprice or greed of the banking corporations.

But, again say these gentlemen, if you admit the convenience and usefulness of banks of discount, exchange, and deposit, you must know that they have no power to issue money or emit bills of credit or circulate their notes as current funds these banks could not or would not exist.

This proposition I utterly deny, and it is so far from true that I have already cited the fact that in the State of New York alone there is an increasing number of State banks that now reaches nearly one hundred and fifty that do a profitable banking business without issuing a dollar of currency or notes of their own to pass for money. In fact not one-third of the banks and banking institutions of this country are banks of issue. Comptroller Knox, the special advocate of them, has shown that in this year 1880, that there were 6,392 banks and banking houses and institutions in the United States, of which but 2,075, or not one-third, were banks of issue; that only 659, or one-third, have any capital in existence, and issue no currency had deposits to the extent of $1,319,000,000, the national banks held, through the partiality of Government deposits, in the name of the government, and the capital of $600,000,000.

These figures at least offer ample ground for denying the claim of the national bank advocates on this floor and elsewhere, that the needed political and dangerous function of issuing as currency the notes of these banks is essential to existence or prosperity of legitimate banking in this country, and for declaring that it is a claim that is as devoid of merit as it is false in fact and vicious in policy. Besides this, let me cite a few figures to show that our banking system does not need the royalty and profitable business of issuing money to sustain it in affluence and security such as the national banks have had. If, as a fact, the power to issue currency and issue no currency had deposits to the extent of $1,319,000,000, the national banks held, through the partiality of Government deposits, in the name of the government, and the capital of $600,000,000, the capital of $600,000,000, the capital of $600,000,000.

This appropriation of the hundred or two hundred millions of dollars that lie in worse than idleness in the national Treasury from year to year toward the payment of the national debt is both in violation of the public policy and the principles of the government. The national bank is a national bank, and the national standard of currency, and the public has in the Treasury notes the necessity for these national banks.

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and privileges, upon the level with other citizens. Already the banks are about of their "vested rights," and as the gentleman from New York [Mr. Flower] assures us in his remarks, they do not need this bill to enable them to continue their existence, but merely to extend the duration of their existence.

If they possess the power to recharter themselves, or if they have a quiet understanding with the Comptroller of the Currency that they can reorganize or recharter under the laws of the state in which they were organized after the expiration of twenty years, then why do these corporations deem it necessary to ask any action on the part of Congress at all? Such is their position in fact, and they feel over their impudence by formally procuring the sanction of Congress to this bill—just to cover contingencies—in order to avert an outbreak which might involve the increasing operation of a law that threatened to throttle this monopoly, or the Government of the people will become the slave of the money-power.

The only safety is to cut off wholly the power to issue money which these banks possess; and upon that I stand, whether the present iniquitous special privileges of the national banks be retained or cut off. But, say these gentlemen, the banks need the currency privilege to sustain themselves. In denying it I have shown that they reap profits from each dollar equal to the ordinary profits by which these banks possess; and upon that, whether the present iniquitous special privileges of the national banks be retained or cut off.

Out of 2,294 banks existing September 1, 1880, the profits of 2,072 of them above all losses for the six months previous to that date is shown, page 48 of the annual report of the Comptroller of the Currency, dated December 8, 1880, to be $244,033,350, and for the year prior to that date, $45,180,034. On page 48 of the same report the loss of 222 banks above all losses for the same period is respectively $7,142,519.94, and $41,706,467, which very largely increases the percentage of profits on their business in order to leave as net gains over the losses of 1,360 banks, now exceeds the profits of these banks.

The Comptroller of the Currency tells us that the national banks have lost in five years, from 1876 to 1880, inclusive, the sum of $101,551,475.45 in their business transactions, and yet he shows that in the same period they have declared dividends to the tune of $199,592,902, and in addition thereto have accumulated a surplus reserve fund of upward of $130,000,000, which they now hold as the "banking law, which allows these banks to issue as currency that which is not in law or in fact lawful money, which compels the Government of the United States to pay a few rich men, who apply for and receive a bank charter, interest on bonds that have been practically redeemed, and royalties to corporations whose notes they indorse, which enables the associated money-kings of the country to form a plutocracy that deserts the popular desire to restore to the Government the power of controlling the volume and character of the currency.

It is not attempted to amuse, nor to recite bombastic platitudes to array rich against poor, or labor against its creature and natural servant, capital; but in entering my solemn protest against the concentration of their existence, and find that most of the organized power of these favored classes by which they are here facts, and invention will not continue indefinitely and to give all to the few; something to soften or mitigate the vast political machine whose influence is so great on this country at present; all, I say, who see these things must feel that we are already bound in the chains of a banking oligarchy and moneyed aristocracy that simply regard the people, the toiling, producing masses, as their legalized prey, and who resent all efforts of a few brave men in Congress to rescue this fair land from the harpies who, under the guise of most benevolent bankers and capitalists, are enabled through the iniquitous laws which this bill would perpetuate to reap all the increase of the people for the benefit of the few.

In speaking of this surplus fund we touch the most sensitive part of the organization of their existence, and find that nearly all the banks, that has grown so fat, impudent, and domineering as to threaten the people who would curb its power after the first twenty years of its existence, I have sought to show to the country and to the legal minds of this House that the present system should not be extended or perpetuated, because—

1. It is unconstitutional.
2. It is unnecessary.
3. It is too costly.
4. It is too powerful to be given a further lease of power.
5. It is of neither use nor benefit to any one except the small and favored class who are the recipients of its extravagant favors.

The vast political machine that has been set up this floor in 1882 that a continuation of its power may be well regarded with apprehension by the people in all parts of the country.

Every man, Mr. Speaker, who sees, as all may who will look, that aggregations of our ever-increasing wealth, of our ever-increasing per capita income, have been brought together in great cities there is an ever-increasing amount of want and crime, of scarcity and hardship among the workers, an increase of under-employment and the want of employment of the discouraged farmers, the want of work for our young men to shirk work for the fields of the gamblers, money-changers, and other parasitic classes that are so influential in this country at present; all, I say, who see these things must feel that unless we do something to prevent this centripetal aggregation of wealth; something to restrain the present tendency to disinherit the many and to give all to the few; something to soften or mitigate the sharpness of the contrast that is forever rising higher and higher between the two chief products of the Democratic-Republican financial policy of to-day, namely, millionaires and paupers, unless we do some of these things there is and will be dangers to our institutions, to our families, and to our very lives, which will surely come in the form of the great financial crisis from the present system in more modern form, as the terror of the French Revolution of 1789.

Industry will not be forever wronged, robbed, injured merely to gratify the greed of the moneyed class. Agriculture will not forever be the bond-maid of banking and railway rings. Manufacture and invention will not remain indefinitely and unquestioningly the serfs and baggards of the money lenders, who hold them under this system at the mercy of ignorance, cupidity, or timidity, or the terror of those who control capital.

Mr. Speaker, you know these things are true. The very gentlemen who profess to be the friends or protectors of the people, the very gentlemen who profess to be anti-monopolists, who can see the evils of railway monopoly, of gas monopoly, of water monopoly, of all the monopolies, yet the very gentlemen who protect the train man, the express man, the telegraph man of the bank who exacts tribute from them under guise of doing them the favor to shave their notes or discount their paper
credit, and obdurately refuse to see the size or iniquitous character of the master monopoly of them all, the parent monopoly of all the rest, that of the money or currency monopoly of these national banks and the system. 

It is against this monster monopoly that the people are fighting. It is to resist its further encroachments that they have organized, since the nutting of the national banking system, and therefore I have the honor in part to represent here. Knowing these things as you do, knowing that the substitution of Treasury notes for the present bank notes is a disparity not to be tolerated as a bow by all the farmers, workers, and producing classes of this land, both because it would give us a better currency of real money and be-cause it would give us a larger amount of our choice of dollars to all classes of persons in composition with the largest system of banking that the world has ever seen.

Looking, Mr. Speaker, to the beneficent results which have been produced by this system, the Republican party certainly has a right not only to self-congratulation but a right to demand the highest praise for establishing a system, the perfection of which has not been questioned, and for the maintenance of which it has fought foes on every hand.

During the war the national banking act had two effects: the first was to preserve the national credit, because, if I remember correctly, greenbacks were then at a discount of 60 per cent. We had neither gold nor silver coin in circulation and the national-bank notes in giving to the country a currency prevented the further depreciation of paper money. Another effect was that it enabled the nation to place upon the market a large amount of its bonds. The Government, being without credit or money, was by this system alone enabled to engage in such a large enterprise as the national war. Any one looking at the results of the system in these days must concede that it was both wise and beneficent.

If the country has arrived at a currency that is good in every State, in every county, and in every Territory; a currency that has the same value in the East that it has in the West and from the extreme North to the South. It has furnished a currency which, as compared with the old wild-cat and rag-tag-and-bobtail State-bank money, will be forever laudable.

Another thing which it gives to the holder of a national-bank note is this: the people have come to know that the banks themselves afford this security. They do not. As a rule the real confidence which we have in these notes is inspired by the fact that the notes are redeemable in gold when the demand arises. The second is precisely what this bill means. It is the proposition that the Republican party is not only proud of it and its advocates, but that the Republicans have the whole system. That is the point I want to make. And another thing is the security that the system gives to deposits and depositors, of which I need not speak.

Now, Mr. Speaker, there was a very wise foresight in the provision inserted in the organic act that the charters of these banks should expire at the end of twenty years from the date of issue; because that provision was designed to be a defense against the tendency of all mened institutions to perpetuate their existence and enhance and aggrandize their power. And, mark you, that provision was inserted by the Republican party in 1863. That was enacted in the days of the greatest distress and in the midst of the darkest, darkest hour. The twentieth year has come; 1883 has passed into history. There is no other measure, among others, that is more glorious and which will be more legible to the future, and, so looking, declared that in twenty years the charters of these national banks should cease. That declaration was made by the Republicans in 1863. Let us do it the same honor as our party ever since. It is true Republicanism now, and by it I for one shall stand to-day.

The twentieth year has come; 1863 has passed into 1883; and now—what? The Republican party, in time of profound peace and unexampled prosperity, is asked to change its historic policy and its sanguine forethought by continuing the life of a banking association indefinitely, perniciously, and in contravention of the provisions inserted by the wisdom of the fathers. That is what you are asked to do. That is precisely what this bill means.
favor of the bankers who derive the benefits from the system. And I for one, as a Republican, do not propose either to desert the traditional policy of the party on the one hand or, on the other, to be made a two-faced one by any set of men anywhere upon this or any other question.

I think it is not necessary to show further that this bill is no part of the natural course of business transactions, or anything in which it is seeking to change the system. In other words, it is an attack on the system. It would not be here unless its advocates desired in some way to change the system. And if you come to the question, do you find that it is for the benefit—of whom? Of the note-holders? Of the depositors in the banks? Not at all. Of the credit of the Government? Not at all. It is for the direct benefit of the owners and controllers of your national banks, and for the benefit of no other parties that I can see.

The reasons which are urged for the adoption of this measure are—and if I do not state them fairly I ask to be corrected—first, to give the banks the advantage of their present organization. That is well enough if it does not cost too much. When an association has for twenty years so conducted its affairs that it not only has won, but deserved to have won, the confidence of the people amongst whom it exists, and whose deposits it holds, then certainly upon the ordinary principles of equity such a bank has a right to the credit it derives therefrom. And, as I stated before, unless it costs others too much every fair-minded man is willing that the association should continue to enjoy its established name and reputation.

The second is to secure the stockholders the expense and trouble of making new investments. And that, too, is well enough if it does not cost too much. No one maliciously desires to put them to any expense or to penalize any expense.

A third reason is to prevent what is alleged as a contraction of the currency, and which I deny as being at all probable. If a contraction of course would follow it is likely it would be a temporary contraction, and yet this is the main point that is urged in support of the bill. These are the three reasons, so far as I have been able to pick them up, why gentlemen advocate the passage of this bill?

Now, I wish to state another reason which I have not heard suggested, though it may have been, and which to my mind is the real reason. The volume of currency, relative to the population, the purchasing power of the dollar, and the square miles of territory has been variously calculated as high as 50 per cent, greater per capita than it is here—of course it is not that if you take the population alone, but I am taking all the elements—the volume of currency there is much greater than here; yet there they hardly know anything about a check, bill of exchange, or promissory note, except in large transactions between large cities and with foreign nations? Now, how does the gentleman account for that?

Mr. ANDERSON. I account for it on the same principle that they yet wear wooden shoes. In other words, they are behind the times by two centuries.

Mr. BRUMM. But they are a very successful people.

Mr. ANDERSON. They are behind the times for all that.

Mr. BRUMM. But they could pay the German war debt in a remarkably short time.

Mr. PRÉSCOTT. They never paid it.

Mr. ANDERSON. My friend from New York [Mr. PRÉSCOTT] says they never paid it; I do not know how that is. But my answer to the gentleman is that the American nation in inventions, facilities of business and transmission of intelligence, in finance, and in commerce is to-day head and shoulders above France. And the experience of France on that account would establish the fact, although undoubtedly it would have weight with my friend from Pennsylvania, [Mr. BRUMM.] It is the difference of opinion between us.

In other words, I do not believe that the fact that 6 per cent. say, of our commercial exchanges are settled with money, at all alters the relative amount of coin, silver certificates, national-bank notes, or any other form of money. A check or draft is a more convenient instrument of exchange than the bank-note and can be better identified. It is less liable to loss. For this reason I imagine that the true elasticity of our exchanging medium arises not from the national-bank-note, not from the legal-tender, not from coin, but from the confidence which American merchants and traders have in American institutions. In other words, your whole system of exchange is based upon credit, and when that credit is good men care nothing whatever about your money. From my State we will not send you silver or bank-notes or greenbacks; we will send you our checks or drafts.

Mr. CRAPO. How does the gentleman explain the great apprehension of financial trouble that existed in the country a year ago as regards $18,000,000,000 of currency?

Mr. ANDERSON. I am glad my friend has mentioned that matter. I explain it simply in this way: the moment you shake credit off your bank-notes as a matter of exchange, not in the bank, but over the country, you shake off confidence, including the draft of every bank. The contraction of currency of which the gentleman speaks was, if I recollect aright, brought about as a threat of these identical national banks, which diffuse their confidence off on men [each other all over the nation. It is precisely for this reason that I for one wish to see the power to make such threats taken out of the hands of the banks, and if it be to be given, I believe, as I said before, to Mr. ANDERSON. I much obliged to my friend; I understand it in that way. Of course I take the experience of banks in this matter of effecting exchanges as a fair and standard of what is probably the experience of the whole country.

Mr. CRAPO. I think that is fair. I think the gentleman means legal-tender notes used in these transactions amount to 2.16 per cent. My friend from Massachusetts [Mr. CRAPO] gives the aggregate of the legal-tender notes and of the bank-notes. I have separated them upon the basis of the amount of the two kinds of notes in circulation. I may be wrong in that, but the aggregate is

I suppose that the percentage of business transacted by legal-tender notes is 2.16, and the percentage transacted by bank-notes is 0.00. If that is the case, then the entire business of the country into account, of every $100 of exchanges made by legal-tender notes only $5.91 of that entire amount of business is settled by the silver coin, gold coin, legal-tender notes, and bank-notes combined.

My recollection is that in the transactions of the New York clearing-house about 5 per cent., and in some years only 3 per cent., of the business of that institution is paid in money in any shape. Now if that be true, and it undoubtedly is true. Mr. BRUMM. Will the gentleman allow me ask him a question at this point?

Mr. ANDERSON. With pleasure.

Mr. BRUMM. The gentleman says that about 6 per cent. of all the business of the country is transacted by means of money.

Mr. ANDERSON. Less than 6 per cent.

Mr. BRUMM. Well, we will put it at 6 per cent. Then 54 per cent. is transacted by means of private bills of exchange of different kinds, drafts, promissory notes, &c.

Mr. ANDERSON. Yes, sir.

Mr. BRUMM. The question I want to ask the gentleman is this: If there is such a sufficient amount of the national medium of exchange in the country to do business with, would not these private bills of exchange, promissory notes, &c., be relatively less than they are now?

Mr. ANDERSON. I think not, and for this reason—Mr. BRUMM. One moment; you can give the reason afterward. The gentleman says—Mr. ANDERSON. I said that there was a sufficient amount of the national medium of exchange in the country to do business with, and this would be greater than the private bills of exchange, promissory notes, &c.; in fact, relatively less than they are now.

Mr. ANDERSON. The gentleman is talking in the past tense. Mr. BRUMM. No, sir; I mean in the present tense, because it has been the case.

Mr. ANDERSON. I think the gentleman means it as a fact, and it is a fact.

Mr. BRUMM. The gentleman means it as a fact, and it is a fact.
Mr. ANDERSON. My inquiry is this: Did not the withdrawal of that $18,000,000, whether from the treasury or from the banking system, because of the panic, weaken the confidence? I do not see the matter from the consequent contraction in the country for a while.

Mr. HASELTINE. Mr. Speaker, my friend has had much more experience upon this question than I have had. If he says that it did, I take his statement. I have no doubt it would have that effect, for this reason: it would be, in my notion, exactly analogous to the exaction of a cut, when one of the little breaks you look out for the rest. In this case you find, let the motive be what it may, that a contraction is suddenly and unexpectedly produced, it takes place in a way that somebody in company with me would have expected no such probable effect must be made to other men doubtful. This alone would account for a lack of confidence everywhere.

But the point which I think the gentleman wants to make is this: that whenever there is a contraction there must be a shaking of confidence. I do not see the matter in that light at all. Suppose that this bill be not passed. Suppose the country knows months beforehand that on the 25th of February, 1883, two hundred and ninety-seven banks must go into liquidation, and must retire $54,000,000 of currency. The point of my friend is that because so much currency is to be retired therefore everybody would lose confidence and there would be a panic all over the country. I think not, for this reason: we know months beforehand that this retirement of currency will be a part of the transaction. Therefore, we announce it; we fear it. The idea that a mere contraction necessarily produces a lack of confidence and a panic seems even to me, who am not at all a financier, very absurd.

Mr. HASELTINE. Will the gentleman allow me to ask him one question?

Mr. ANDERSON. With pleasure.

Mr. HASELTINE. Could not Congress protect the people against any damage from contraction of the currency by authorizing the Secretary of the Treasury to issue legal tenders equal to the amount of contraction caused by the withdrawal of the bank-note circulation?

Mr. ANDERSON. Most undoubtedly. And in the last Congress I introduced as an amendment to the funding bill a proposition that currency notes, not legal tenders, be issued by the Government in the denominations and to the amount of the retired national-bank notes. Most undoubtedly any contraction could be prevented in that way, if it were necessary.

But the question is whether you have not money enough to-day. Is it not quite probable—to my mind I am frank to say that it is certain—that the danger to the country to-day is not from having too little money, but because we have too much? In other words, I believe that a contraction, so far as it goes, will do good. But, as I said, I am not a financier.

Mr. HASELTINE. May I ask the gentleman another question?

Mr. ANDERSON. With pleasure.

Mr. HASELTINE. Has the gentleman in his experience or observation ever known a community that suffered from too much money?

Mr. ANDERSON. Well, yes. I hope my friend makes the distinction between property and money. Money is simply a tool with which to effect exchanges and serve the balances. When money becomes so plentiful that you cannot obtain a fair interest for it—when the rate of interest runs down, we will say, to 1 per cent. per annum—when nobody is willing to pay anything for the use of money—then I fancy you have too much of it.

If my friend means to ask whether I ever saw a country where the people had too much property, where each individual had too much wealth, I can very frankly say, Mr. Speaker, that I have not paid the duty. There is a vast difference between property on the one side and money on the other. Money is simply a convenient instrument with which you settle the balance of your exchanges. It serves as a whealbarrow; that is all your money is or does.

Mr. HASELTINE. Will the gentleman permit me to ask him another question?

Mr. ANDERSON. With pleasure.

Mr. HASELTINE. Is it not quite probable to my mind I am frank to say that this is true? It is the owners and the officers of the banks that have confidence, and the bank-officer is that because so much currency was made money by increasing the amount and reducing the price. The country knows months before any body is losing confidence. The whole idea that the withdrawal of so small a relative amount will not affect the public mind is perfectly absurd. When gentlemen come here and, alleging this to be a Republican measure, ask me as a Republican to support it or to observe silence, I utterly deny their allegation and protest against so gross an attempt to use the party for such a purpose. I prefer to be a Republican of the old and true school.

Then comes the final proposition, that the vast bulk of the exchanges of the country do not depend on the amount or kind of money you have, but that 94 or 95 per cent. of your exchanges are effected by your drafts and checks and your credits on books. And, Mr. Speaker, I see to my mind that the issue presented by this bill is an issue between the owners and the officers of the present national banks on the one side, and the American Congress with a Republican majority on the other. The Republican party, as the father and defender of our national banking system, is bound by all its traditions to oppose this issue. There is the only point. And when gentlemen come here and, alleging this to be a Republican measure, ask me as a Republican to support it, or to observe silence, I utterly deny their allegation and protest against so gross an attempt to use the party for such a purpose. I prefer to be a Republican of the old and true school.

But my friend will experience for me that this greenback is not what I think is in his mind when he talks of "flat" money. It does not mean, when the nation is given for the payment of its obligations, as my own note or the note of any other individual would be given.

Mr. HASELTINE. Has the Supreme Court of the United States, the highest tribunal in the country, decided that it was the power of the American people to stamp any material in its possession in peace or in war as its currency?

Mr. ANDERSON. I do not now remember what the Supreme Court decided on the question of paper money. My recollection of its utterances is derived from a recent reading of some decisions in railroad cases, and I then thought that somebody ought to have pounced upon the high degree of authority displayed by that body, and said, why do I not care what they say one way or the other as to the power to fill up any contraction caused by the withdrawal of the national banks?
of a nation to issue fiat money. But the greenback was simply
a note to pay the obligations of the nation; and if ever again
in the history of this country a period should come similar to that
which closed with the greenback and the same idea as
the same credit given to it that the Republican party gave to it
in the days when it was first issued. But that day is not here now.
This nation does not need to issue a depreciated currency at this
time. On the contrary, the question is rather whether you shall give
to these national banks an indefinite life and save to them many mill-
ions of dollars, and that is the whole of it.
But I am frank to say that in all sincerity I question the policy
or wisdom of this Government giving to anybody, to the banks or to
anybody, the power to issue paper that shall be used as money. And
I would infinitely rather see a piece of paper issued as a Government
note, payable on demand by the United States Government, backed
by its resources, to be made good by its integrity, than I would the
notes of any bank, though supported and secured by the promise of
the Government to make them good in the event of failure by the
bank.
Mr. BURROWS, of Missouri. Will the gentleman permit me to
ask him a question?
Mr. ANDERSON. With pleasure.
Mr. BURROWS, of Missouri. The Government issues the legal-
tender notes, does it not?
Mr. ANDERSON. Yes, sir.
Mr. BURROWS, of Missouri. The Government also issues the
national-bank notes, does it not?
Mr. ANDERSON. No, sir; the banks issue them.
Mr. BURROWS, of Missouri. They do?
Mr. ANDERSON. Yes, sir.
Mr. BURROWS, of Missouri. I supposed it was the Government.
Mr. ANDERSON. The Government prints them.
Mr. BURROWS, of Missouri. Well, the Government is responsible
for them. Now I want to know what is the difference between
a note issued directly to the people by the Government or indirectly
through these corporations?
Mr. ANDERSON. In time of peace, none; but in times of war an
immense difference, as our experience
has shown.
Mr. BURROWS, of Missouri. Then, another question. In what
is the national-bank note redeemable, in coin?
Mr. ANDERSON. Yes, practically, now, and if the Government
has no greenbacks.
Mr. BURROWS, of Missouri. Then it is redeemable in green-
backs?
Mr. ANDERSON. It is redeemable in the lawful money of the
nation.
Mr. BURROWS, of Missouri. Can you demand coin?
Mr. ANDERSON. Strictly you can only demand legal-tender notes.
When they are not current you can demand coin, so that now you could
demand and receive either greenbacks, silver, or gold. But when
the greenback was at a discount you could not demand coin from the
Government in redemption of a bank note. It was just this fact
which makes the difference between war and peace periods.
Mr. HOLMAN addressed the House. [See Appendix.]
Mr. HARDENBERGH obtained the floor, and yielded to
Mr. CRAIO, who moved that the House adjourn.
The motion was agreed to; and accordingly (at nine o’clock
and forty-five minutes p. m.) the House adjourned.

PETITIONS, ETC.
The following petitions and other papers were laid on the Clerk’s
desk, under the rule, and referred as follows:
By Mr. ERRETT: The letter of Thomas A. Douglass, relative to the
bill for the enlistment of colored men by the explosion of the Allegheny
arsenal in 1862—to the Committee on Claims.

Also, the petition of manufacturers and dealers of matches of Pitts-
burgh, Pennsylvania, in opposition to the proposed repeal of the tax
on match makers, silver, or gold.

By Mr. HOGE: The petition of William Gray and others, citizens of
Marion County, West Virginia, asking an appropriation for education
of the colored people of said county.

By Mr. MORSE: Papers relating to the claim of Barrington Bevy-
more—to the Committee on War Claims.

By Mr. MCRAE: Petitions of discharged soldiers and sailors of Delaware
County, Pennsylvania, for the enactment of a
law granting to soldiers and sailors of the late war bounty in money
in lieu of bounty land warrants—to the Senate Committee on
the Payment of Pensions, Bounty, and Back Pay.