TEN SPEECHES

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA,

MADE IN THE

HOUSE OF REPRESENTATIVES,

FIFTY-FIFTH CONGRESS.

WASHINGTON.
1899.

Protective Duties on Imported Articles Do Not Necessarily Enhance the Price of Such Articles to the Consumer.

REMARKS

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA.

IN THE HOUSE OF REPRESENTATIVES,

Thursday, March 25, 1897.

The House having under consideration H. R. 397, to provide revenue for the Government—

Mr. GROW said:

Mr. CHAIRMAN: There are two methods of raising revenue for the Government; one by direct taxation, the other by duties on foreign imports. A direct tax under the existing provisions of the Constitution must be apportioned to the States according to their representation. Massachusetts and Indiana have the same number of Representatives in this House, while they differ greatly in wealth. An attempt to raise revenue by direct taxation without a change in the Constitution would make the people of Indiana pay the same amount as the people of Massachusetts. The mere statement of this proposition is enough to show the injustice of a system of direct taxation without a change in the Constitution. Until the Constitution is changed, therefore, there is no use of talking about direct taxes for raising revenue for the Government.

Duties on foreign imports were resorted to by the First Congress of the United States under the present Constitution as the source for raising revenue for the support of the Government in time of peace. And the Constitution prohibits any State from collecting duties on foreign imports. The Government of the Union alone can do that. The States, with this exception, can have such taxation as they please. Why should Congress abandon the source of revenue confided to it expressly by the Constitution and invade those sources of revenue left to the States? For a hundred years, beginning with the First Congress after the adoption of the Constitution under which we live, Congress has imposed duties on foreign imports in order to raise the revenue necessary for the support of the Government in time of peace. In this unbroken practice of more than a century Congress never, until it passed what is called the Wilson bill, undertook to invade the source of taxation which belongs properly to the States.

The Congress which passed the Wilson bill abandoned what had been the unbroken practice and thought it wiser to collect only a part of the revenues for the Government from duties on imports and to seek some other source for the balance. But, as it proved, they were as unwise in the selection of the new source from which to collect revenue as in abandoning the practice of our fathers on this subject. The Supreme Court decided that the income tax resorted to in this case for raising part of the necessary revenue was unconstitutional. And since that time the advocates of the Wilson bill, following the practice of some lawyers on los-

ing their cases in court, condemn the judge and the jury that decides against them, and still insist that their construction of the Constitution and law is better than that of the court.

Whether it would be wise or unwise to attempt to change the Constitution so that direct taxes might be levied without the inequality that would result from an apportionment, as now required, I will not stop to consider at this time. The bill before us follows in theory and details the practice of our fathers, uniform and unbroken, with this one exception, of raising the necessary revenue from duties on foreign imports for the support of the Government in time of peace. With an annual importation of $700,000,000 to $850,000,000 in valuation of products of foreign labor, it would be a poor statesmanship that could not so adjust duties as to raise at least $200,000,000 of revenue therefrom.

What has been the practical operation of the tariff law now in force? Take the years 1892 and 1893, under the McKinley tariff, and compare them with the years 1895 and 1896, under the Wilson tariff. These years are fair ones for comparison. The year 1894 it is not fair to compare with anything before or after it, for it was a year of transition, when Congress was employed most of the year in settling upon what was a proper tariff policy for the Government. But take the years I have mentioned and compare the operation of these two tariffs for those years. That is a test, and a practical one. All of the theories and declamation that we hear about robbing the American people by collecting necessary revenue is of no avail in testing practical legislation.

The people of the country are ready to pay the revenues necessary for the support of the Government, and no one has pointed out that the expenditures of the last Congress or the Congress before that, were other than wise and proper expenditures in all their great and leading items for the support of the Government. No matter what it costs, this great country, reaching from ocean to ocean, and with the longest and the greatest navigable rivers of the world, with its chain of inland seas, on the bosom of which floats a tonnage in commerce greater than the foreign commerce of the nation, will require from year to year a greater expenditure of money. The people are ready to pay the necessary expenses for the development of this great country in its ever-increasing commerce at home and with all the world.

Government expenses, then, will not and can not be materially reduced now or in the future. It becomes necessary, then, to raise sufficient revenue for the expenditures of the Government without borrowing. The present tariff fails to do that because of the unwise adjustment of its duties even for purposes of revenue, as the following tabulation of a few articles of importation clearly shows:

	Amount.	Less duty—
Tin plate in 1895 greater than 1892	$5,421,560	$1,464,610
Stone, china, and glass ware in 1896 greater than 1893	1,162,193	1,841,499
Fruits and nuts in 1896 greater than 1893	5,721,055	1,211,173
Distilled spirits in 1896 greater than 1893	191,950	558,848
Wool, and manufactures of, in 1896 greater than 1893	27,405,164	21,477,389
Five articles in 1896	39,901,922	26,553,519

With an importation of these five articles of $39,901,922 greater in valuation in 1896 than in 1893, the duties collected were $26,553,519 less. There was no falling off in imports in these articles, but an increase in the quantity of importation and less revenue collected. Is that statesmanship, when the Government is running in debt at the rate of $50,000,000 a year. and has borrowed already $262,000,000 to pay its deficit of four years of administration? Of these five articles, $39,901,922 more in valuation was imported under the tariff in 1896 than was imported in 1893 under the McKinley bill, and $26,553,519 less revenue was collected. This is the operation of the tariff that we are asked to leave alone until it shall collect revenue enough to pay the expenses of the Government.

The total dutiable imports in 1892 and 1893, compared with 1895 and 1896, show a difference of only $10,000,000 in round numbers. The valuation of dutiable imports may be called the same for these two years, and yet $68,353,224 less revenue was collected under the Wilson bill than under the McKinley bill.

Much is said about duties increasing prices. I call the attention of the committee to the actual facts in business. Steel rails in this country in 1881 sold for $61.13 per ton. In Great Britain the same articles sold for $30.41 per ton. In 1891 they sold in this country for $29.92. In Great Britain the price was $21.34. The price of steel rails was reduced in those ten years from $61.13 to $29.92, being a fall of $39.21 per ton in price in this country, while in Great Britain they fell $9.07 a ton, being reduced in this country three times as much as in Great Britain for the same time. While the duty was reduced $11 a ton, the market price fell $31.21 a ton. In 1893 steel rails sold in this country for $24.29, about a fair market price, and they sold in England for $18.55, the difference being just about the difference in the labor cost between the two countries. The duty was reduced $3.56 a ton and market price $6.92 a ton.

No matter how a tariff may be arranged, unless the duty on a particular article is high enough to equal the difference in the labor cost in this country and other countries the laborer in this country will be the sufferer. Strike from the tariff all its protective features, and the labor of this country must then stand unaided and alone in its competition with that labor of the world, where homeless poverty is the sole heritage of the sons of toil. Under free trade the wages of labor everywhere will be the lowest paid anywhere. The only way to protect the wages of the American laborer is by protective duties on articles that come in competition with his labor.

But we are told that low duties will give cheap articles to the American people. Cheapness to the consumer in articles of consumption, if made by reducing the wages of the laborer who produces them to the rate paid his competitors in other lands, where penury sits at their fireside and sorrowing want surrounds their deathbed, is not a desirable object. Shall cheapness to the consumer in articles of consumption be weighed in the scale against the comfort of the home and the happiness of the fireside of the laborer who produces them? [Applause on the Republican side.]

[Here the hammer fell.]

Mr. GROW. Mr. Chairman, the gentleman from Tennessee opened his remarks by stating what all the advocates of free trade have used in the politics of this country for the last forty years in the shape of what they call an argument, that a duty on an article is necessarily paid by the consumer, and that if it does not enhance the price of the article to the consumer, it can not be any advantage to the producer or manufacturer. Like all Democrats, in the discussion of the imposition of duties on foreign imports they take pleasure and special pains to call the imposition of duties on articles a tax on such articles.

I desire to call the attention of the committee to the actual facts in business bearing upon this question without any reference to the doctrines of free trade or protection. Take as an illustration the last industry which has been developed to a large extent in this country by reason of the legislation of the Republican party in the tariff of 1890—the manufacture of tin plate. Before 1890 none was made here for market. In 1892 was the beginning of that enterprise, and that was the first year that tin plate of domestic manufacture was placed in our market. Previous to 1892 the duty was 1 cent per pound. Under the tariff in 1892 the duty was made 2.2 cents per pound. That added $1.29 on a box of 108 pounds over the duty existing before 1891. When the duty was 1 cent a pound, in 1890, tin plate sold wholesale in New York at $4.55 per box of 108 pounds. After the additional duty of $1.29 per box had been imposed, it sold in 1892 for $5.20, which is 65 to 70 cents additional, and yet the duty was $1.29 additional. Who paid the difference between 70 cents and $1.29 if the theory of gentlemen on the other side is correct? The duty was increased $1.29 a box, and yet it did not increase the market price over 70 cents a box.

In 1893 we collected on tin plate $13,500,000 of revenue with a duty of 2.2 cents per pound. The selling price per box was $5.37. That same kind of box of tin, I. C., 14 by 20, the standard size, and weighing 108 pounds, sold in 1882, under a duty of 1.1 cents a pound, for $5.20 per box.

Mr. RICHARDSON. Let me ask the gentleman this question: If it is not true that when the McKinley bill was passed putting a tax of 2 cents——

Mr. GROW. Two and two-tenths cents.

Mr. RICHARDSON. Two and two-tenths cents per pound upon tin—if it is not true that within less than thirty days every merchant and every store in the United States which exposed tin for sale did not mark up the price to correspond to the increase in the duty?

Mr. GROW. Why, I have just said that it went up 70 cents a box under an increase of duty of $1.29 a box. Now, somebody had to pay the difference.

The increase was but 70 cents, and the increase in duty was $1.29. According to your argument, the price should have increased the whole amount of additional duty. In 1892, with the duty 2.2 cents a pound, there was collected on an importation of 403,030,785 pounds $8,801,358 in revenue, while in 1882, with a duty of 1.1 cents a pound, there was collected on an importation of 430,746,895 pounds $4,837,216—27,000,000 pounds more imported in 1882 than in 1892 and $4,000,000 less revenue, and the wholesale

market price for the same kind of a box of tin plate was $5.20 in 1882 and $5.30 in 1892. I will print with my remarks the entire table from which I am now reading, and which shows that the wholesale market price in New York of tin plate from 1882 to 1895 only varied from 7 cents to 88 cents per box of the same kind and weight, while the duty on the box was from $1.08 to $2.37 during these fourteen years.

Tin plate.

Year.	Imported.	Home production.	Rate of duty.	Duty collected.	Average price per box, 108, I. C., 14 by 20.	Average price steel billets per ton.
	Pounds.	*Pounds.*	*Cents.*			
1882	490,746,895	----------	1.1	$4,837,216	$5.20	----------
1890	674,664,458	----------	1	6,746,645	4.55	----------
1891	1,057,711,501	----------	1	10,577,115	5.20	$36.33
1892	403,030,785	13,646,719	2.2	8,801,358	5.30	25.32
1893	613,679,999	99,819,202	2.2	13,500,960	5.37	23.63
1894	436,780,713	139,228,467	2.2	9,609,175	5.28	20.44
1895	534,514,907	193,801,073	1.1	7,336,748	4.22	16.58
1896	266,943,277	307,228,621	1.1	----------	3.59	18.50

As the home production increases of a protected article, that in the end we can fully supply our market with, the rule everywhere in trade is that as the home product increases the importation of the like foreign article diminishes, and the price falls until the home market is supplied by the home product.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GROW. I would like to have a few minutes longer, the same time extended to the gentleman from Tennessee.

Mr. McMILLAN. I hope that will be done.

The CHAIRMAN. In the absence of objection, the gentleman will proceed.

Mr. GROW. As the home production of the protected article increases, the price constantly falls by home competition, and the foreigner, if he comes into the market, must reduce the price of his commodity and pay the whole or part of the duty as a license to sell in our market. This amount is not charged over to the consumer in a majority of cases. It depends on the state of trade at the time of the importation whether the duty is lost by the foreign producer and importer and the merchant who handles the commodity. That is a question depending on the laws of trade, and whether the consumer pays anything additional or not is determined in all cases by the price current of the article at the time of consumption.

In some cases he pays a part of the duty, but it is a rare case that he pays it all. That is shown in this table from 1882 to 1896 by the production of tin plate in this country, its importation, and its price per box. When the duty on tin plate in 1891 was 1 cent a pound, the box sold wholesale for $5.20 a box. Precisely the same kind of article sold in 1894 for $5.28 a box, when the duty was 2.2 cents a pound. In this case who was robbed? For that is the cry of free traders who call taxation robbery of the people.

Who was robbed in this transaction of tin plate? The consumer did not pay it, for the price of the box of tin did not go up the amount of the duty. If it was paid, and we collected the duty

as we did, who paid it? The producer abroad lost a part of it. The transporter lost a part of it. The merchant dealing in the article lost a part of it.

Now, the rule in business in actual trade is that, as the home production increases, the importation of the like foreign article decreases and the price of the home article is lessened until the home market is supplied by the home article, when the price will be less than at other time. In the steel-rail industry we made in 1887 2,000,000 tons of rails in this country, and without the $28 per ton duty placed upon them in 1868 that could not have been done. Who will say that it would have been better for this country to have bought 20,000,000 tons of steel rails from foreign nations, I care not at what price, than to have made them here, as has been done in the last sixteen years? The advantage of that industry has accrued to this country, instead of foreign countries, and steel rails are selling here to-day for less price than anywhere else in the world, and that result has been produced by the protective duty that brought that industry into existence in this country. [Applause on the Republican side.]

March 31, 1897.

Mr. GROW. Mr. Chairman, not desiring to interfere with the amendments of the Committee on Ways and Means, which they had prepared and wished to offer to the bill, I have refrained heretofore from taking up any of the time of the committee. I now wish to call the attention of the committee briefly to some facts in trade which show the effect of protective tariffs on prices.

A tariff with reasonable protective duties is best for raising revenue until the protected articles are produced in sufficient quantity to supply, or nearly so, the home market.

The operation of duties since the beginning of the Government, whether protective, prohibitory, or for revenue only, will show throughout the whole experience of the Government under tariffs one thing as true: That is, that more revenue is raised on the importation of the articles called "protected articles" than from the same articles imported under a so-called revenue duty, until the articles supply, or nearly so, the home market, for in such cases a larger revenue is collected on a smaller importation. The price of articles upon which duties are imposed does not increase or decrease according to the duties imposed, but the price is fixed by the law of trade prevailing at the time, and the duties only modify the price, and it is not fixed specifically by the amount of duty.

While the pig-iron industry will for the whole period of its existence show this fact, I will take three years—1880, the first year after the resumption of specie payments; 1892, under the McKinley tariff, and 1895, under the present law, called the Wilson tariff.

PIG IRON.

	Home production.	Imports.	Average price.	Duty.	Duty (less).	Price (less).
	Tons.	*Tons.*				
1880	3,835,191	700,864	$28.50	$7.00	.....	.....
1892	9,157,000	82,891	15.75	6.72	$0.28	$12.75
1895	9,446,308	53,232	12.00	4.00	2.72	8.75

The home production in 1880 was 3,836,000 tons, and the imports 701,000 tons; average price for the year, $28.50; the duty, $7 per ton. In 1892, when we made in this country 9,157,000 tons and imported 83,000 tons, the market price was $15.75 and the duty $6.72. The duty was 28 cents less, but the price was $12.75 a ton less. In 1895, when we made 9,447,000 tons and imported 53,000 tons, the duty was $4 and the price was $12 a ton, a reduction in duty of $2.72 and in price $3.75. The same thing is true in the steel-rail industry, as shown by the following table:

STEEL RAILS.

Year.	Home production.	Foreign importation.	Market price.	Rate of duty.	Duty (less).	Price (less).	Price (more).
	Gross tons.	*Gross tons.*					
1879	610,682	22,372	$48.25	$28.00			
1880	852,196	141,227	67.50	28.00			$19.25
1884	996,983	2,745	30.75	17.00	$11.00	$26.75	
1887	2,101,904	137,588	37.08	17.00			6.33
1893	1,130,368	932	24.29	13.44	3.56	12.79	
1895	1,150,000	776	22.00	7.88	5.56	2.29	

With the same duty in 1879 and 1880, the price varied $19.25. And in 1884, with $11 a ton less duty, the price was $26.75 less. In 1895, when we supplied the home market with an importation of only 776 tons, and with a duty of $7.88 a ton, the market price of steel rails was $22 to $24 a ton, and they are to-day selling for a less price than anywhere else.

The tin-plate industry shows the same thing. Previous to 1891 the entire consumption was imported; and the duty was from 1 to 1.1 cents a pound, and the price of a box of tin plate, wholesale, in New York (I. C., 14 by 20, 108 pounds) was from $4.50 to $5.20. The duty after 1891 to 1894 was 2.2 cents a pound; and in 1896 one-half of the consumption of the country was made here, and the same kind of a box of tin plate sold for $3.80 a box, being from 70 to 75 cents a box less than in the years from 1883 to 1891, when the entire consumption was imported.

TIN PLATE.

Year.	Foreign importation.	Home production.	Rate of duty.	Price per box (108 pounds).
1890	674,664,458		1 cent	$4.55
1892	403,030,785	13,646,719	2.2 cents	5.30
1896	266,943,277	307,228,621	1.1 cents	3.80

In concluding, I wish to say a word to the gentleman from Kansas [Mr. SIMPSON], who was very complimentary to me the other day in his remarks, for which I thank him, and I was not offended by his classing me with those who are striving to "enslave mankind." He belongs to that class of people who seem to be opposed to about everything that is and are not much in favor of anything that is not. [Laughter and applause on the Republican side.]

[Here the hammer fell.]

THE CIVIL SERVICE.

SPEECH

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA,

IN THE

HOUSE OF REPRESENTATIVES,

JANUARY 5, 1898.

WASHINGTON.
1898.

SPEECH

OF

HON. GALUSHA A. GROW.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 4751) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1899, and for other purposes—

Mr. GROW said:

Mr. CHAIRMAN: I shall not trespass upon the time of the committee with any discussion as to the mode in which the civil-service law has been administered heretofore by any Administration. The manner of administration of a law is, however, an essential part of it.

There is no question that there should be some law to regulate, to a certain extent at least, appointments to office in such a way as to relieve the President from spending so much of his time in hearing the application of every applicant for all the offices that are to be filled. Either the lives of our Presidents must be assured by a physically iron constitution or they can not live out their full official terms, if they must, in addition to other duties, be engaged in examining all the cases of appointments.

Whether the system I shall now suggest could be introduced without a change of the Constitution may be a question; but I think that by a law of Congress approved by the President regulating the mode of appointment might continue in practice the same as it would——

Mr. DINGLEY. Mr. Chairman, I rise to a question of order. We desire to hear the gentleman from Pennsylvania on this subject, and there is so much confusion that we can not do so unless we are near him.

The CHAIRMAN. The point of order made by the gentleman from Maine is well taken. The committee will please be in order.

Mr. GROW. I was saying, Mr. Chairman, that as the Constitution vests the appointing power in the President, an amendment of the Constitution might be necessary to introduce a change in that respect. But a law of Congress, approved by the President, might, by such acquiescence by the Executive, take the place of a formal amendment to the Constitution.

Without discussing at length any proposed change, I simply wish to express at this time my views on this subject, which are not merely the views of to-day. I have been committed to them for a third of a century. Without stoping to discuss the constitutional difficulty which might be in the way, I would have a civil-service regulation taking from the President the power to appoint any officer of the Government save the judges of the courts of the United States and the representatives of our Government in foreign countries. These appointments should be left to the President for this reason: The judiciary is a coordinate branch of the

Government, and the power of appointment could not well be vested in any inferior tribunal.

Mr. PEARSON. Would the gentleman allow the President to appoint his own Cabinet?

Mr. GROW. I will come to that question in a moment. The appointment of all foreign officials of the Government should remain with the President, because he represents our nation in its intercourse with other nations. Those two classes of appointments therefore should be left with the President. The members of his Cabinet he would have, of course, the right to appoint, for they are his own official family, and it is nobody's business whom he may choose for those positions. But I would vest in each officer of the Cabinet the appointment of all persons engaged in his branch of the service, and would hold him responsible for the faithful performance of public duty in his Department. Such appointments as are by law to be confirmed by the Senate I would have, as now, transmitted to it by the President. Thus all appointments of that character would pass through his hands. Under the prerogative of his office he might object to some of them if he chose.

But in this way he would be relieved from sitting day by day for the determination of minor appointments when the most momentous questions between this nation and others, and questions involving perhaps its life, might be at stake. He would be relieved from the necessity of devoting his time to hearing every applicant or the Members and Senators representing such applicant. At present the member of Congress representing the applicant's district must go to the President in behalf of the applicant. This is a duty which he owes to his constituents. Under the existing system the President in his executive office must, during a period when the life of the nation and the hopes of mankind might hang suspended upon the battlefield, listen day by day to these applications.

Let me illustrate by a single case. During the Presidency of Mr. Lincoln I desired the appointment of a judge in one of the Territories. The President made a memorandum of the matter. I went to call upon him one day, not to call his attention to this matter, but as soon as I entered the Executive Chamber he said, "Mr. Speaker. I meant to appoint your friend to that judgeship, but a woman came in here, with nine small children and one at the breast, and pleaded the bread act on me, and breaded me out of it." I said, "Very well, Mr. President. If there is anybody needing consideration and cooperation from the Government it is the Union men in the insurrectionary States." This was one of such cases. The family had been driven out because of their Union sentiments. "But," said he, "I will attend to the matter; let me take the name again."

He went to his hat filled with papers and began to fumble over them, remarking, "I have a queer way of doing things." "Yes, Mr. President," I replied, "if your hat should blow off in the street, state secrets might be scattered." He took out a paper, on which he put down the name. "Now," said he, "I will attend to the matter when it comes around." As I left the chamber I queried with myself, Why should a President of the United States in such an hour be required to spend his time and strength listening to applications for subordinate positions in the Government? The law should require an applicant to present his case to the

proper Department of the Government—the Secretary of State, the Secretary of the Treasury, or whatever Department the office he is applying for might belong to.

Here was a President, charged with greater responsibility than ever fell to the lot of any ruler since time began, required to spend his time and strength in considering official appointments all the way down to collectorships and little post-offices. This greatest American of the nineteenth century, who, among all the world's civil rulers in peace or war, will through all time hold no inferior niche in the pantheon of human greatness. was thus occupied. Why impose these duties upon the President. when such duties are constantly multiplying and have multiplied from a few thousand appointments to hundreds of thousands?

Strictly, the Constitution would have to be changed to take away from him his prerogative to make all appointments; but a law of Congress, assented to by his signature, would be the same in practical effect as a change in the Constitution in that regard if it were acquiesced in by the Executive, as undoubtedly it would be in this case.

I am opposed to any life tenure in the civil service except in the case of the judges of the Supreme Court of the United States, and there should be an exception in their case, by reason of the fact that the Government takes their life services for the good of the country, and pays them a compensation less than a common lawyer receives in his practice at the bar of any of the States of the Union. They spend their lifetime in the consideration of great questions affecting society, affecting the States of the Union and the rights of the people.

I would leave them on the retired list for the balance of their lives after they have given their life services to the consideration of the grave questions in which their countrymen are so vitally interested. Their case should, therefore, be a special exception in any general law. But all appointments, save the judiciary and those in our foreign relations, should be placed upon an entirely different plane. Take from the President by law the making of these appointments, so that he could say when we fill his antechambers with our constituents who are applicants for appointment that "the law does not permit me to make them; you must go to the proper Department fixed by the lawmaking power for that purpose."

The Constitution requires the President to make recommendations as to the state of public affairs, and he may from time to time recommend to Congress such matters as may seem to be of importance in his judgment. His time should be given to the maturing of great questions of that character, for the consideration of the legislative branch of the Government, and in connection with our relations with foreign Governments. This being the case, why should his time be taken up with the consideration of the appointments in the various Departments of the Government, instead of being given to the consideration of those great questions which affect the interests, the welfare, and happiness of the whole people?

I have, Mr. Chairman, given hastily the outlines of my views of what I believe the proper system of civil service should be in this country. I know, of course, that without the acquiescence of the President such a system can not prevail unless the law takes the form of a constitutional amendment. But it seems to me that such

a system can be devised as will meet every requirement in that regard. It is necessary that something of the kind should be done, if we would spare the life of our Presidents.

It was only the iron constitution and great physical endurance of Abraham Lincoln that enabled him to go through the mighty struggle of five years, when the very air throughout every part of the country was vibrating with the strains of martial music and mighty armies were marching and countermarching preparatory to the deadly conflict on the battlefield, upon which hung the perpetuity of the Union and the hopes of the great and good of mankind, that was to determine whether the free institutions bequeathed by our fathers should be transmitted unimpaired to future times. For if this Republic, torn by faction and internal strife, should fall rent and dismembered, the last great experiment of free elective government among men has been tried, and the oppressed and downtrodden of the world could then hug their chains as the only legacy they could bequeath their children.

There was no period during four years of his Administration that the shadow of war was not hanging darkly over the land, and when the very life of the nation was not in danger.

Relieve the President of the responsibility in the making of appointments other than those indicated and allow the heads of the Departments to select their confidential and chief clerks, and at the same time abolish the various classifications of salaries. That is one of the mistakes made in the administration of this law.

As long as there is a salary list, varying from $720 a year to $1,600 or $1,800, whoever administers the law has an opportunity by reclassifying to put in their political favorites, by putting personal friends into the higher salaried places and reducing others to the lower grades. In the mutation of politics, in the changes in the political heads of the various departments, these different salaries offer great temptation for a maladministration of the law and injustice to faithful and competent employees for the mere purpose of rewarding political favorites. I know of clerks in the Pension Office who have drawn a salary of $1,000, $1,400, and $1,600 a year, and yet have remained at the same desk and performed precisely the same kind of work all the time. From $1,600 they were changed by a change of Administration to $1,400, then back to $1,600, then from $1,600 to $1,200—just by a political change in the Administration.

There should be but two classes of salaries for all clerkships, and then make the law imperative that no clerk, except for cause, shall be reclassified in salary from a higher to a lower one.

I have thus presented briefly my views on this question, long entertained and confirmed by experience. I would not have the "spoils system," as it is called, prevail, so that every Administration that comes into power in the changing politics of the country might use these high places as "sugar plums" and favors for a few political favorites without qualification for the duties of the positions sought.

The modification of the system as I have suggested would take away that feature. The great evil complained of at the time of the passage of the civil-service law was that the political classes at the points of great population could combine for the nomination of some person for President whom they felt assured would give them the offices they might ask for, and thus they could by such action forestall to a great degree the free action of Presiden-

tial conventions. The modification I suggest would effectually remove such complaint, for no one could possibly know who the Cabinet of a President would be before election, and the selection of a candidate for President would therefore rest wholly upon public sentiment.

There should be no regulation such that a person who holds office under the Government can not maintain his manhood without fear of losing his position. Why should he, from the time he goes into office, feel that he is bound to suppress his honest convictions or lose the place he holds? It is a degradation and a dishonor to write over the office doors of the Government of this Union, "Who enters here leaves his manhood and his honest convictions behind." The officeholder is a citizen of the United States as much bound to have political convictions as any other citizen of the country. He is a part of it.

He has a right to contribute his money where he pleases, and no official of the Government any more than anyone else has a right to impose a tax on him for any purpose without his consent. The law should prevent that, for it is the same as the highwayman's command to stand and deliver. I would have those two evils abolished by law. The law should prevent the taking from the salary of any official of the Government under duress one cent, for that is the effect in levying contributions upon the officeholders of the Government without their free and voluntary consent. Prevent that, prevent reclassification of the clerks upon a change of Administration, and make all appointments as far as possible by the Secretaries in their own Departments, and you will have done away with most if not all the evils that are complained of concerning the office-holding class in the Government.

Mr. Chairman, I am obliged to the gentleman from North Carolina [Mr. PEARSON] and to the gentleman from Massachusetts [Mr. MOODY] for their kindness in yielding me the floor for these few minutes, and to the House for its courtesy.

2881

FREE HOMES FOR PIONEER SETTLERS.

SPEECH

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA,

IN THE

HOUSE OF REPRESENTATIVES,

ON

FREE HOMESTEADS,

MARCH 10, 1898.

WASHINGTON.
1898.

SPEECH

OF

HON. GALUSHA A. GROW.

The House being in Committee of the Whole on the state of the Union, and having under consideration the Senate amendments to the bill (H. R. 6896) making appropriations for the current and contingent expenses of the Indian Department, etc.—

Mr. GROW said:

Mr. CHAIRMAN: The objections urged against the passage of this amendment would have been equally good against the enactment of the original free-homestead law. [Applause.] We heard all these objections then of giving away the lands and of the condition of the Treasury. By the estimate of the Commissioner of the Land Office in 1862. the Government then had 1,650,000,000 acres of public land. Multiply that by $1.25, and it would be over two thousand millions of dollars. It is now claimed that the Government might collect thirty or thirty-five million dollars that it is proposed to give away. If that is a good reason why we should not pass this amendment, then there was a much better reason why the original homestead act should not have passed. By the present reasoning it took out of the Treasury then two thousand millions of dollars.

The homestead act was not passed as an act of charity. It was passed as an act of simple justice and of right to the pioneer settler on the public domain. It was passed so that the pioneer settler who falls leading the van of civilization through the wilderness and is buried in the dust of its advancing columns should not be compelled to pay to the Government or to land speculators a part of his hard earnings, which are necessary to make his home comfortable and his fireside happy, and to rear his children educated, respectable members of society. The pillars of the Republic rest upon the comfort of the home and the happiness of the fireside of its laboring people. [Applause.]

It was to secure that that the original free-homestead law was passed. If the objection to the passage of this amendment is good to-day by reason of the condition of the Treasury. it would have been a doubly good reason then, and the men who sat in these halls at that time would not have passed the original free-homestead act. It was at a time when the Government needed all its resources. A half million brave men, schooled in the traditions of a heroic ancestry, were in arms on the battlefield for its overthrow. The House passed a bill authorizing a loan of $500,000,000, and the Senate amended it by pledging the proceeds of the public lands to be applied in payment of the loan. This House refused to concur and it was left out. A few months after the homestead bill became a law. If these gentlemen who object to this amendment

had been there, they would have insisted on it that we were robbing the Treasury by giving away these lands.

I ask that the Clerk will read for me, from the Congressional Globe, second session Thirty-seventh Congress, an extract from a speech made February 21, 1862. It was on a motion to refer the homestead bill, after it was introduced in the House, to the Committee on Public Lands with instructions to the committee to bring in a bill providing for a soldier bounty land law in lieu of the homestead.

The Clerk read as follows:

> While we provide with open hand for the soldier on the tented field, let us not heap unnecessary burdens upon these heroes of the garret, the workshop, and the wilderness home. They have borne your eagles in triumph from ocean to ocean and spanned the continent with great empires of free States, built on the ruins of savage life. Such are the men whom the homestead policy would save from the grasp of speculation. By it you would secure to them all their earnings, with which to make their homes comfortable, build the schoolhouse and church, and thus contribute to the greatness and glory of the Republic.

[Applause.]

Mr. GROW. Mr. Chairman, the homestead settler to-day on the public lands of the United States needs the same things that we gave him then. This amendment comes here now by reason of the innovation on the policy of the free-homestead law, which had been in force unbroken for a third of a century. The Administration sent commissioners to make a treaty with the Indian tribes and buy their lands by the acre, recognizing in them a fee simple in the wilderness of this country, and thus they become to-day the land speculator, instead of the old land speculator under the old policy of the Government, when it sold its lands at a dollar and a quarter per acre.

Now the Government comes in as agent and trustee of the Indian to take from the settler from $1 to $3.75 per acre, thus performing the part the land speculator did under the old system. What right in the lands had the Indian to convey? What did the Government buy? They bought nothing, for the Indian had nothing of real value to sell. The Indians' claim to these lands is that they had wandered over them with shotgun and fishing rod or bow and arrow. All the Government got was the Indians' strolling occupancy. Now you ask that the settler who goes there to make a home and rear a family should pay to the Government from $1 to $3.75 per acre in order that the Government may pay it to the Indians.

The Government made a bargain it had no business to make by which the people's money was squandered. It disregarded the great rights of the people. If it was wrong, are not the Representatives of the American people ready to vote for justice and right, no matter what it costs the Treasury? [Applause.] It was an inexcusable innovation. Up to the time of these treaties it was the policy to pay the Indian so much to leave his old hunting grounds and the graves of his fathers and go forth and find new ones.

Why did not the Government treat with him for his removal instead of recognizing him as the owner of the soil in fee simple to be purchased by the acre? The Indian bounds his claim of ownership by rivers and mountain ranges, and within these circumscribed limits he claims ownership not only to the land but to the wild beasts that hide in its jungles; to the fish that swim in

its running waters, and to the birds of the air that disport in the foliage of its green forests. And he has just as good a title to them all as he has to any one of them. [Applause.]

Yet this Government sends forth commissioners to treat with these Indians as the owners in fee simple of a portion of the earth created for the benefit of mankind and for the support and happiness of the race. And then we are asked to take from the settler who makes his home on these lands the money that may be necessary to pay for the fault of the Government in making any such arrangement.

The public lands of this Union are the patrimony of the sons of toil. Whoever applies his labor to an unoccupied portion of the earth's surface in its cultivation seals his title of rightful ownership thereto in the sweat of his face as it moistens the soil he tills. [Applause.] What rightful claim can the Indian have by merely wandering over a wilderness with a fishing rod or a bow and arrow, doing nothing in the way of cultivation and occupation to establish his right to the soil?

Blackstone said—and every law student reads the passage in the beginning of his studies:

> That there is no foundation in nature or natural law why a set of words on parchment should convey the dominion to land. The use and occupancy alone gives to man an exclusive right to retain in a permanent manner the specific land which before belonged generally to everybody, but particularly to nobody.

[Applause.]

Yet this Government violates that great principle; and the Secretary of the Interior sends here as a reason why this amendment should not be adopted the same argument in almost the words of James Buchanan in his message vetoing the first free-homestead bill that passed Congress. [Applause.]

[Here the hammer fell.]

3121

THE GOVERNMENT'S PLIGHTED FAITH IN THE PAYMENT OF ITS DEBTS.

SPEECH

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA,

IN THE

HOUSE OF REPRESENTATIVES,

THURSDAY, MAY 26, 1898.

WASHINGTON.
1898.

The Government's Plighted Faith in the Payment of Its Debts.

SPEECH

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, May 26, 1898.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 10253) to amend the internal-revenue law, relating to distilled spirits, and for other purposes—

Mr. GROW said:

The honor and good faith of the Government of the United States is pledged to the payment of its debts in all cases where the kind of payment is not specified in such legal tender, if it has more than one, as its creditors may select at the time of payment. For the reason, if there was no other, that the Government alone, in the exercise of its arbitrary though legal power, makes the tenders for the payment of debts, and can change them at its own will, without the consent of its creditors. There are no two parties, and there can not be, to this transaction. The Government, therefore, in promising to pay its creditors a certain number of the units of its own coinage must, in honor and business fairness, allow its creditors to select the tender in which to receive the payment.

In the business transactions of individuals neither party has anything to do with making tenders for the payment of debts and are in no way responsible for their change. Hence, each takes the chance as to what may be legal tender at the time of the maturity of their contracts. The debtor, being the party to pay, has the right, therefore, in all business fairness, to select the tender with which he will pay. Not so with the Government, which

makes the tenders, when it is itself the debtor, for the Government is bound to see to it that all the tenders it creates for the payment of debts are at all times the equivalent, one with the other, in commercial value. And it is this obligation which in business fairness makes its position in the payment of its debts different from that of individuals.

If that is not the case, then the Government could make a tender perfectly worthless with which to pay its debts, while a tender good in commercial value is in use. For instance, the lawmaking power could buy copper and have each ounce of it stamped at the mint $1, then make such dollars a tender in the payment of debts, and with such copper money pay all its coin obligations. That would be just as honest and just as fair a business transaction as to pay its coin obligations in any legal-tender dollar of a commercial value of 30 or 40 cents or less.

All the laws ever enacted changing the ratio in weight of one money metal to another were for the purpose of keeping one the equivalent of the other in commercial value. If the Government neglects this plain duty, it can not on the first great principle of equity take advantage of its own wrong. It must, therefore, in honor and fair business dealing allow its creditors the option of the tenders in the payment of its debts. It has the power, of course, to pay its debts in anything, or not to pay them at all. For it makes the legal tenders and can not be sued without its consent. Hence it is under a double obligation, in honesty and fair dealing, to allow its creditors the option of tenders, if it has more than one, at the time of payment.

The creditors of governments which have a bank like England, France, and Germany, through which they do their financial business, collecting the government revenues and holding them on deposit, must receive over the counters of such banks the legal tender offered by the bank, for the bank in this case, not the government, is the debtor, and the bank does not make the tenders. Hence, it has the same right of option in paying its debts as an individual. But when the government itself is the debtor, and makes the tenders for the payment of debts, it has in business fairness no such right of option in paying its debts at the counter of its own treasury.

The law of 1862, which authorized the first issue of legal-tender Treasury notes, by its accepted terms at the time of passage and by the understanding of its supporters bound the Government in good faith to pay its debts in gold or its equivalent.

In discussions upon debatable legislation it is always desirable to have the correct history of such legislation, and, if possible, the reasons existing for it at the time of its enactment, especially if the laws are of an unusual character. The House will, therefore, bear with me in recalling briefly a part of the history of the legislation creating our national debt.

The first session of the Thirty-seventh Congress, in obedience to the proclamation of the President, convened on Thursday, July 4, 1861. On Monday, the 8th of July, the House was fully organized by the election of all its officers and the appointment of its standing committees. Both Houses adjourned finally on Monday, the 6th day of August, having been in session thirty-three days, including five Sundays. In these twenty-eight working days acts were passed revising the tariff, levying direct and internal taxes, reorganizing the military establishment of the Government, enlarging the Navy, increasing the Regular Army, authorizing the enlistment and equipment of 500,000 men, and a loan of $250,000,000 was authorized and $300,000,000 were appropriated for the support of the Army for the then current year.

At that session, after disposing of the foregoing measures and others of public necessity, it was not thought advisable to take up the financial question, therefore no change was made in the money then in use, though every member of either House regarded the financial policy to be adopted by the Government to meet the contingencies of the then overhanging future as the most vital as well as the most difficult question to be settled in legislation. The shot had already been fired at Sumter which, like that at Lexington, rang round the world.

At the next session, beginning December 2, 1861, almost three months were spent in the discussion and consideration of the financial policy to be adopted by the Government. One hundred and fifty million dollars in gold had already been borrowed from the banks of Boston, New York, and Philadelphia. Specie pay-

ments had been suspended in the previous November. A bill was finally matured in the House, authorizing the issue of bonds, bearing 6 per cent interest, to the amount of $500,000,000, since known as the five-twenties, and $150,000,000 of Treasury notes, known as "greenbacks," without interest, but legal tender in payment of debts.

At that time the Government was in a life-and-death struggle for its existence. Its Treasury was empty and its credit greatly impaired. At such a time the Government was about to appeal for a loan of $500,000,000, to be repeated how soon, or how often, no human sagacity could then foretell, with which to provision, clothe, and equip its defenders on the battlefield. Without such munitions of war, no matter how brave their hearts, their arms would have been as powerless as if paralyzed in death. The vital question with those charged with the administration of the Government at that time was, therefore, how to give the greatest possible credit to the Government in securing such loans of money as it must have.

This question gave rise to greatly diverse opinions. There was no difference of opinion in either House as to the bonds to be authorized. The differences of opinion were as to the kind of Treasury notes, if any, to be issued. There were those in both Houses, not small in number nor of inferior ability or statesmanship, who were opposed to issuing any kind of Treasury notes, and who advocated the policy of keeping the Government on a specie-paying basis by selling bonds in the market for gold with which to do it. Others were opposed to that policy and in favor of issuing Treasury notes, made legal tender for all debts and demands of every kind. Others favored the issue of Treasury notes legal tender for all dues to the United States and for all claims and demands against the United States of every kind whatsoever, but not a legal tender between individuals.

In the bill that first passed the House these notes were made legal tender in payment of debts of all kinds, public and private. The Senate amended the bill by adding after claims and demands against the United States, "except interest on the bonds and notes of the United States." The reason for this amendment was elab-

orately presented by Senator Fessenden, of Maine, chairman of the Senate Finance Committee. Senator Collamer, of Vermont, discussing the amendment, said:

> The bill as it came from the House of Representatives, in order to give currency to these notes, provided that men should have a right, when they had a quantity of them, to fund them in Government bonds, having twenty years to run, with interest payable in what? In these very notes that they had put in. It was saying to them, "If you will only take these notes, you may fund them in a bond, and take your pay in the notes again." What a financial juggle is that? That is the form in which it came to us from the other House; but an amendment reported by our committee and adopted by the Senate provides that the interest, at least, shall be payable in money.

This amendment to pay interest in coin had been reported unanimously by the Finance Committee, and it passed the Senate without a division. This amendment and one pledging the proceeds from the sales of the public lands in payment of the bonds—after the bill was returned from the Senate—caused a long and very earnest debate in the House. The following extracts from speeches made in the House will show what was the prevailing sentiment at that time as to the meaning of the word "coin" in the amendment:

Mr. Spaulding, chairman of the subcommittee on Ways and Means, who reported the bill that passed the House, and who was in favor of only one kind of money, in opposing the amendment of the Senate to pay interest on the bonds and notes in coin, said:

> All bonds and Treasury notes heretofore issued are payable generally without specifying that either the principal or the interest shall be paid in coin, and yet the legal effect is the same.
>
> * * * * * *
>
> By all means let us pay the interest in gold to those who desire it, if it is possible to do so.
>
> Suppose the public debt to amount to the sum of $1,000,000,000 in one year from this time. Six per cent interest on this sum would require $60,000,000 in gold to be obtained annually—$30,000,000 every six months to pay interest. How is the gold to be obtained? You will not get it from taxes or from duty on imports, because these by the bill are payable in Treasury notes. The only way, then, to get this gold will be by selling your bonds at the market price to procure it. This is a large amount of coin to be procured on a forced sale of your bonds—$30,000,000 every six months.
>
> * * * * * * *
>
> A sum greater than all the gold possessed by the New York banks at this time. The fact that you create by your bill this large demand for gold will tend greatly to enhance the price.

Mr. Pomeroy, who had opposed the issue of legal-tender paper

in any form, in advocating the amendment of the Senate to pay interest in coin, said:

> The credit of the Government has been recently brought to the test of practical experiment in a much more favorable time than the present, when the banks were plethoric with gold beyond all former experience and promptly meeting all engagements in coin.
>
> Now, this paper is or is not equal to gold. My colleague may take whichever horn of the dilemma he pleases. If it is not, it is folly to suppose that people are voluntarily going to place themselves in a position where, for a term of years, they compel themselves to receive it in interest and assume all the risk of depreciation. If it is equal, then there can be no unjust discrimination in paying interest in gold.
>
> * * * * * * *
>
> While we exercise the power to compel the people to receive it as gold in the payment of debts, we unfortunately have not the power to compel them to loan it back to us on time and receive more of the same kind in interest.
>
> * * * * * * *
>
> The Committee on Ways and Means are talking about paying, whereas the problem is how to borrow. If capital will seek Treasury notes at par for the purpose of investment in bonds, with the interest payable in notes, how much more readily will it seek the same notes, at a slight depreciation, for the purpose of such investment with the interest payable in gold.
>
> * * * * * * *
>
> No inducement is offered by the House to fund these notes in the nature of the new security. The credit of the Government is alike bound for the payment of both classes of indebtedness ultimately in gold.

Mr. Stevens, chairman of the Committee on Ways and Means, who had from the first advocated but one kind of money, either all paper or all coin, to be used, whichever it might be, for all purposes whatsoever, said:

> All classes of people shall take these notes at par for every article of trade or contract, unless they have money enough to buy United States bonds, and then they shall be paid in gold.

In discussing the report of the committee of conference on the bill, Mr. Stevens, who was chairman of the committee, said in reference to the action of the conference committee:

> We provided that the Secretary of the Treasury, in order to raise gold to pay this interest, should throw into market the bonds of the United States at whatever they would bring. * * * We saw no way but to raise the coin in some other mode than selling our paper. * * * We made the imports payable in coin.

In all the discussion in either House on paying interest in coin the words "coin" and "gold" were used indiscriminately. No one had any idea then that the interest would ever be paid in silver or that the bonds at their maturity would be paid in anything but gold, as all such bonds had always been paid theretofore.

The House finally concurred in the Senate amendment for paying interest in coin, but nonconcurred in the pledge of the proceeds of the sales of the public lands. The committee of conference on the bill struck out the pledge of the proceeds from the sales of public lands and inserted in lieu thereof that duties on imports should be paid in coin, and that was agreed to in both Houses without a division. In this way the disagreement between the two Houses was finally settled, and the act of February 25, 1862, became a law with the following provisions relative to the United States notes and the national debt that might be created:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized to issue on the credit of the United States $150,000,000 of United States notes, not bearing interest, payable to bearer, at the Treasury of the United States.

* * * * * * *

And such notes herein authorized shall be receivable in payment of all taxes, internal duties, excises, debts, and demands of every kind due to the United States, except duties on imports, and of all claims and demands against the United States of every kind whatsoever, except for interest upon bonds and notes, which shall be paid in coin; and shall also be lawful money and a legal tender in payment of all debts, public and private, within the United States, except duties on imports and interest as aforesaid.

* * * * * * *

And such United States notes shall be received the same as coin at their par value in payment for any loans that may be hereafter sold or negotiated by the Secretary of the Treasury.

SEC. 2. *And be it further enacted*, That to enable the Secretary of the Treasnry to fund the Treasury notes and floating debt of the United States he is hereby authorized to issue on the credit of the United States coupon bonds or registered bonds to an amount not exceeding $500,000,000, redeemable at the pleasure of the United States after five years, and payable twenty years from date, and bearing interest at the rate of 6 per cent per annum, payable semiannually.

* * * * * * *

SEC. 5. *And be it further enacted*, That all dnties on imported goods shall be paid in coin, and the coin so paid shall be set apart as a special fund and shall be applied as follows:

First. To the payment in coin of the interest on the bonds and notes of the United States.

Second. To the purchase or payment of 1 per cent of the entire debt of the United States, to be made within each fiscal year after the 1st day of July, 1862.

That was the pledge of the nation to pay its debt, principal and interest, in coin, which everybody understood at the time to be gold. This pledge was to collect the duties on imports in coin and to set apart the coin so collected in payment of the interest on the bonds and notes of the United States and for payment of 1 per

cent of the entire debt of the United States annually after July, A. D. 1862. This pledge was made in the darkest hour of the nation's history, and is a component part of its act making paper a legal tender, and the terms "coin" and "gold" were used interchangeably by the lawmakers at that time, and with the general expectation that the interest and the debt would both be paid in gold. Until the last dollar of the Government indebtedness created by that legislation is paid the Government is bound in honor and good faith to pay it in such tenders as its creditors may select at the time of payment.

By these two amendments to the original bill—one made in the Senate without a division, to pay the interest on the bonds in coin; the other to collect the duties on imports in coin, made in conference committee and agreed to unanimously by both Houses—the national currency was in reality kept on a specie basis, and the industries of the country were saved from serious depression, if not entire prostration. Had the duties on imports been collected in this paper money, with nothing to prevent its depreciation except its being legal tender in payment of debts, it would have reduced the rate of duties so it would have resulted in almost free importation of foreign manufactures from all countries, to the great detriment of our home industries.

With the interest on the national debt payable in paper, the capitalist, no matter how patriotic, would have hesitated to part with his money and receive nothing as an income for the support of his family except these paper promises, which would fluctuate in their purchasing power with the uncertainties hanging over the battlefield, and with an additional doubt whether this paper might not possibly in the end become entirely worthless by the excessive issues required by the necessities of the Government itself. But with an income while the conflict might last that could not be destroyed or lessened in its purchasing power, men of wealth were ready to part with their money and trust to the future for the repayment of the principal. Of all the legislation of that period, these two provisions of paying interest in coin and collecting duties in coin were the wisest and the best.

Both came almost by accident, so far as human foresight is concerned. They were not the conception of any one member of either

House, but resulted from the disagreement of the two Houses in discussions as to the best method to give the greatest credit to the Government in borrowing money for its then pressing needs.

The provision of the act of February 25, 1862, which requires the interest on the bonds of the United States to be paid in coin receives not a little denunciation from the Democrats and Populist members of the House whenever they have occasion to refer to it. And they freely charge that this provision must have crept into the bill by some lobby influence around these Halls, in the favorite phrase of Populistic orators, of "organized greed"—of bankers and capitalists seeking their own avaricious and selfish gains; and that it was such influences which controlled in the enactment of that legislation.

Sir, the only lobby influence around these Halls when that act passed was a lobby of patriotism. It ill becomes this generation to asperse the memory of the dead or the characters of the living legislators of those times. But they need no vindication in words of eulogy. The far-reaching beneficent results of their acts will be their vindication through all time for wise statesmanship and patriotic devotion to the best interests of their country in that crisis hour of its existence. And the only vindication for unselfish patriotism required for what is known as the "moneyed class" of our citizens at that period is a correct knowledge of the history of their acts. The banks of Boston, New York, and Philadelphia, at the first outbreak of the rebellion, loaned the Government $150,000,000 in gold, on the application of Mr. Chase, then Secretary of the Treasury.

Justice to this greatly maligned class of American citizens, living and dead, compels me to say in this connection that the promptness and patriotism with which the bankers and the capitalists of the country at that time devoted their wealth to the cause of their country was excelled only by that of the soldier who periled his life on its tented fields.

In support of this declaration I trust the House will pardon me in calling attention to a remarkable instance, not then uncommon except in its degree.

Two war ships were being built on the Clyde, in England, and were almost ready to sail. Charles Francis Adams, then our min-

ister to the Court of St. James, called upon Lord John Russell, secretary of state for Great Britain, with a request, based on the recognized obligations of strict neutrality between belligerents, that an order should be issued by the government preventing the sailing of these cruisers. He presented the evidence, full and complete, which he had procured through his detectives, that the cruisers were built with money furnished by the Confederacy, were to be manned with Confederate sailors, and outside the 3-mile limit were to take aboard their war armament and go forth on their mission of destruction of American commerce upon the high seas.

Lord Russell, after listening patiently to the presentation of the case by Mr. Adams, declined to comply with his request. Mr. Adams, rising from his seat and turning to leave the audience chamber, said (in that sharp, concise tone of voice and with compressed lips, which always characterized him in earnest speech): "I need not remind your lordship this is war."

Next day Mr. Adams received a note from Lord Russell requesting him to call at the foreign office. At their interview Lord Russell said to Mr. Adams that it had been decided to issue the order preventing the sailing of the cruisers, provided he would place in the Bank of England, within forty-eight hours, £1,000,000 sterling in gold, to be held as an indemnity fund against any award of damages that might be obtained against the Government in the court of admiralty.

Mr. Adams returned to his office perplexed and in great doubt what to do; for it seemed impossible for him in this short time to comply with the conditions imposed. The evening shadows of the day scarcely closed in, when a gentleman called at Mr. Adams's residence and said to the servant at the door: "Tell Mr. Adams that a gentleman wishes to see him on strictly private but important business."

In response to this message, Mr. Adams repaired to his reception room and found there George Peabody, then a London banker. Mr. Peabody, addressing Mr. Adams, said:

I know all about your interview to-day with Lord Russell; and realizing how difficult, if not impossible, it would be for you to procure a loan of $5,000,000 in the time specified, even if you had the authority of your own Government, duly authenticated, I have come to say to you that at 10 o'clock

to-morrow I will see that $5,000,000 in gold is placed to your credit in the Bank of England on one condition, that it shall be a profound secret how this money is obtained, known only to President Lincoln and such of his officials as must know about it. I will take the bonds of the United States as soon as they can be prepared and sent to you here for delivery in payment of this loan.

Next day Mr. Adams called on Lord Russell and the £1,000,000 sterling in gold was placed on deposit in the Bank of England, as required by Lord Russell, and an order was issued preventing the sailing of these two cruisers.

By this prompt, patriotic act of this millionaire banker the lives and the property of American citizens were saved from destruction upon the wide ocean and the cause of the American Union from impending disasters. And by this act the ruling classes of England were saved from a hatred and rancor in the hearts of the loyal American people deep and bitter as ever burned in the bosoms of the old Continentals against the redcoats and the hireling soldiery of George III.

I judge what would have been the feelings of the American people at that time by my own. Such a national animosity in this period of the world's history between these two English-speaking peoples would have been a calamity to the well-being of the future of mankind scarcely less than would be the dismemberment and destruction of the union of these States.

The Republic owes it to itself some day to erect in front of this Capitol two colossal statues—the one to be inscribed in letters of living light, "George Peabody—the Massachusetts boy, the London banker, the devoted patriot in the hour of his country's greatest need;" the other to be inscribed in characters as enduring as the granite of his native Quincy, "I need not remind your lordship this is war." Such a group to stand through all the years of the long-coming future a memorial of one of the most vital incidents in the history of the new Republic.

But to return from this digression into which I have been led in vindicating the patriotic devotion of all classes of loyal American citizens, including banker, merchant, and capitalist, in the five years of the crisis period of the country's history from 1861, I will call the attention of members to the wording of the act to strengthen the public credit, passed March 18, 1869:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to remove any doubt as to

the purpose of the Government to discharge all just obligations to the public creditors, and to settle conflicting questions and interpretations of the law by virtue of which such obligations have been contracted, it is hereby provided and declared that the faith of the United States is solemnly pledged to the payment in coin or its equivalent of all the obligations of the United States not bearing interest, known as United States notes, and of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of any such obligation has expressly provided that the same may be paid in lawful money or other currency than gold and silver. But none of said interest-bearing obligations not already due shall be redeemed or paid before maturity, unless at such time United States notes shall be convertible into coin at the option of the holder, or unless at such time bonds of the United States bearing a lower rate of interest than the bonds to be redeemed can be sold at par in coin. And the United States also solemnly pledges its faith to make provision, at the earliest practicable period, for the redemption of the United States notes in coin.

The act expressly declared that the debt is payable in coin or its equivalent, and it provided that no interest-bearing obligations of the Government shall be redeemed before maturity unless the United States notes are at the time convertible into coin at the option of the holder. What was the reason for any such legislation at that time? For the pledge in the act of February 25, 1862, was specific that the Government would pay the interest on its bonds in coin, and would pay in coin 1 per cent of its entire debt every year after 1862.

Why was this act of 1869 passed? At the time there was neither gold nor silver circulating as money. Specie payments were suspended in November, 1861, and were not resumed until January, 1879. Coin at that time meant gold, or its equivalent. The equivalent was either silver of the commercial value in the markets of the world of $1.29 an ounce, or paper made the equivalent of gold by adding the discount, whatever it might be.

The Greenback party, which sprang into existence in 1867 and 1868, insisted that these bonds were payable in greenbacks at the expiration of five years from the date of their issue; for the reason, they said, that the wording on the face of the bond was that the United States were indebted in dollars, and the wording of the greenback on its face was that the United States promised to pay dollars. Therefore, whenever the time for payment matured, the promise on the greenback to pay dollars, being a legal tender, was good for the payment of these bonds, that on their face called only for dollars, though the law under which they were issued said they should be paid in coin dollars.

To put at rest this question then agitating the public mind, and in order to remove all doubt and settle conflicting questions and interpretations of law by the cheap-money advocates of that time, the act of 1869 was passed, declaring that the faith of the United States is solemnly pledged to the payment of the national debt in coin or its equivalent.

The wording of the act is that "the faith of the United States is hereby solemnly pledged to the payment in coin, or its equivalent." Could it have been intended in using the word "equivalent" to declare that the silver dollar of the weight of 412½ grains of standard silver, worth in the markets of the world in 1869, when this declaration was made, a little over 100 cents, is the equivalent to the silver dollar of 412½ grains of standard silver, worth in the markets of the world in 1898 from 42 to 45 cents?

The act of July 14, 1870, to authorize the refunding of the national debt, is especially explicit as to the kind of coin in which the debt was to be redeemed, "in coin of the present standard value;" that is, of the standard value of July 14, 1870. At that time the silver dollar was equal in commercial value to the gold dollar, and each was of the value of 100 cents. There is nothing said in this act, or any other law, about weight being an equivalent to value.

Yet all the advocates of paying the bonds of the Government in silver claimed that the weight of 412½ grains of standard silver is equivalent at all times to 100 cents in value, making no distinction between debt-paying value and commercial value, and ignoring entirely the words of the act of July 14, 1870, which are, "Redeemable in coin of the present standard value." At that time the standard value of coin was equivalent and equal to gold; silver and gold dollars were then of the same commercial and debt-paying value.

Treasury notes of 1890, issued in payment for the purchases of silver bullion, are in specific terms payable in either gold or silver at the option of the Government. If the Government has the option of tenders rightfully in paying its debts, what necessity was there for so specifying in this case? It was thought by those who advocated it that as it was silver received, it was fair and right to pay in the same kind of money; and for that reason it

was specifically provided that the Government had the option. And the only reason urged at that time why the Government should have the option was that it was paying in just the kind of money it received.

But for the act of Congress pledging the good faith of the Government to keep all kinds of money—gold, silver, and paper—on a parity with each other, the Treasury notes of 1890 might be paid in silver coin. But these notes, being in every way exceptional in character, stand by themselves in every respect an exception to the general rule. There is not a bond of the United States to-day, and there never has been one except those issued in aid of the Pacific railroads, nor is there any other obligation of the Government, not specifying a specific kind of payment, that the Government is not bound in good faith and fair, honest, business dealing to pay at maturity in legal-tender money at the option of the creditor, if the Government has more than one kind of tender, at the time of payment.

3396

ANNEXATION OF THE HAWAIIAN ISLANDS.

SPEECH

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA,

IN THE

HOUSE OF REPRESENTATIVES,

TUESDAY, JUNE 14, 1898.

WASHINGTON.
1898.

SPEECH

OF

HON. GALUSHA A. GROW.

The House having under consideration the joint resolution (H. Res. 259) to provide for annexing the Hawaiian Islands to the United States—

Mr. GROW said:

Mr. SPEAKER: This nation needs the Hawaiian Islands for the benefit of its commerce in peace and its protection in war. It is a fact conceded by everybody that for commerce between the western shores of this continent and Asia there must be some intermediate land for a coaling station for ships engaged in commerce. The Hawaiian Islands hold such a position, being for all practical purposes about midway between the two continents, with a land-locked harbor unsurpassed in size and safety. To secure the possession of this harbor for the future against all contingencies the sovereignty of the islands is necessary, for whoever owns the islands owns the harbor. All treaties whatsoever would fall with a change of ownership.

It is claimed by the opponents of annexation that there is another route of equal commercial advantage and less in distance from continent to continent by the way of Unalaska. It is a route discovered in the argument of this question and not heretofore discovered by commerce. I venture the assertion that few, if any, vessels in trade between the American and Asiatic continents ever yet sailed on this route from San Francisco to any port in Asia, unless it was one in the Arctic seas.

When presented in this debate, it reminded me of the chap in New York who surprised the stockbrokers for a short time with a declaration that he had found a railroad route between New York and Chicago 250 miles shorter than any existing one, or any other that could be constructed, and he could prove it by his map. When the map was produced, there was a heavy red straight line drawn from New York to Chicago, which crossed the Alleghany Mountains at the highest summit in the range. And this was his shortest route. The map was correct, but the capital to build the railroad was not in sight.

Lines drawn on the map of a wide ocean representing the channels of commerce are very well if commerce follows such lines. Bnt if it does not, reasons why it might do so are of little consequence. If the reasons urged against annexation now had prevailed while the purchase of Alaska was pending, we should not have this new logical route at all, for Alaska itself would still be Russian territory. There never has been any acquisition of territory without more or less opposition at the time of the acquisition, and the reasons were very much the same as those now offered—unconstitutional and dangerous to the liberties of the country.

I will not take the time of the House in discnssing any constitutional question relative to the acquisition of territory by this

Government. Mr. Jefferson said in 1803 that there was no grant of power in the Constitution for such acquisition; yet, beginning with his Administration, we have acquired foreign territory in area more than three times as great as that claimed by the original thirteen colonies or which the Government owned at the time of the adoption of our present Constitution.

For almost a century, beginning with Jefferson, the nation has been acquiring territory by treaty and by joint resolution and under Administrations of different political parties. If anything can be settled by the uniform practice of the Government, the power to acquire territory ought to be settled by this uniform, unbroken practice for almost a century, sustained by every branch of the Government and ratified universally by the people.

I am content to follow this uniform, unbroken practice in the exercise of a power that must certainly rest somewhere in the Government, or it could not have been thus sustained by all departments of the Government for this long period.

This question is not a law to be construed; it is a power of government to be exercised. And by that exercise in the past and by that alone the nation has in this first hundred years of its existence been enabled to expand from thirteen feeble colonies, hemmed in by the Atlantic Ocean in front, the Mississippi River in the rear, and Spanish and French dominion on the south, to forty-five independent Commonwealths, spanning a whole continent from ocean to ocean and extending through almost every zone.

For the exercise of this power to acquire territory it only needs a clear, unequivocal commercial necessity for the American people and a willing consent of the people occupying the territory to be acquired. In such case, while there could be no question as to constitutional power, the circumstances existing at the time would determine as to the wisdom of its exercise.

The great reason for the exercise of this power now by the Congress of the United States applies to Hawaii and not to any other portion of the earth. It does not apply to Mexico, Canada, Cuba, or any other territory on the American continent. For the reason that after Cuba shall have established a republic, the institutions of all these countries being substantially republican can not be a menace in any way to our liberties, and there are no great commercial necessities, nor can there be any, requiring any government changes in our territorial relations with either of these nations. Hence in our commercial necessities Hawaii stands alone, separate and distinct from any other portion of the earth's surface, and in no way connected with any question that may hereafter arise as to other nations.

The ultimate annexation of the Hawaiian Islands to the United States is not a new question. Every President except one for half a century has notified the nations of the earth that the people of these islands could never unite their destinies with any nation except our own. When England, in 1843, took possession of these islands, Mr. Legare, then Secretary of State, notified the Government of Great Britain of our position, and she withdrew. Later, when France attempted to take possession, Mr. Webster, then Secretary of State, repeated to France in substance Mr. Legare's dispatch to England, and France withdrew.

For fifty years every President except Cleveland has notified the world that no other nation would be permitted to establish their sovereignty over these islands, and that the people thereon must be allowed to control their own destiny. Grover Cleveland

was the first official in the administration of this Government to attempt a reversal of its historical policy relative to Hawaii.

He undertook to restore over that people a monarchy overthrown by its liberty-loving subjects, and, using the revenue cutters and war ships of the nation with shotted guns as a menace in the harbor of Hawaii, he directed his accredited agent to the new Republic to demand, in the name of the United States, that its chosen officials should abdicate their powers, and, kneeling in abject submission at the foot of the restored throne, kiss the extended hand of its dusky Queen. This attempt by the President of the United States to restore a defunct monarchy will brand Grover Cleveland through all time in the annals of impartial history as recreant to liberty and false to the spirit and genius of free institutions.

If I had any doubt as to the vital importance of these islands to the future commercial well-being of the United States, I should hesitate long before setting up my own judgment against the united opinions of the long line of eminent statesmen who have been intrusted with the administration of public affairs, and who are held in so high estimation for political wisdom by their countrymen of all political parties. The gentleman from Arkansas [Mr. DINSMORE] quoted a general opinion by Mr. Sherman against the acquisition of foreign territory, and then attempted to impeach his own witness, who, as Secretary of State, signed the treaty for the acquisition of these very islands included in the resolutions before us.

He could have quoted with equal force from Mr. Legaré and Mr. Webster in their correspondence with England and France, in which they declared that it was not the policy of this Government to acquire colonial possession, and yet they both insisted that these islands, by the consent of their people, must some day become a part of American territory, or at least that they never could by our consent become a part of any other. And now when their people desire to cast their political fortunes with ours and we refuse, will it be claimed by anybody that henceforth we can rightfully prevent them from casting their lot with any other nation? Such a refusal would be an attempt on our part to impose upon them a despotic control more odious than was that of Cleveland.

The gentleman from Arkansas [Mr. DINSMORE] said that the time might come when it would be, perhaps, advisable to annex these islands, but not now. Now is the only time that the United States can rightfully dispose of that question. After our rejection the destiny of these islands is in the keeping of their people, and to be determined by them alone. Whether their fortunes shall then be cast with England, France, Japan, or any other nation will be for them to determine.

All questions arising out of the existing war with Spain properly belong by themselves and are to be settled in view of the circumstances and conditions existing at the time of their settlement.

In the discussion on the question before us we have heard much about wars and their dangers to liberty. War prosecuted for selfish ends in upholding despotic dynasties or for the mere extension of territorial dominion is an unmitigated, inexcusable barbarism.

But wars, with all their miseries and woes, in the interest of humanity, in behalf of struggling races or nationalities, to secure or regain their inalienable rights, have been of great benefit to

mankind. In the world's decisive battles from Marathon to Gettysburg, such battles as have changed for all time the current of human events and the destiny of empires, great battalions have always marched in the rear of great ideas.

The generation of the American people now fast passing away have had not a little home experience in the horrors of war. They have seen their country shrouded in the sable habiliments of mourning and woe and flooded with widows' and orphans' tears. And to the end of this generation an occasional tear for the unreturning brave will glisten in the eye of bereavement around disconsolate firesides. But the new Republic is worth over the old the priceless sacrifice of blood and sorrow which it cost. While "peace has its victories no less renowned than war," yet most of the mighty achievements in the onward progress of the race to a better civilization have been wrought by the sword.

It seems to be a part of the plans of Divine Providence that every marked advance in civilization must begin in mighty convulsions. The moral law was first proclaimed in the thunders of Sinai, and the earthly mission of the Saviour of mankind closed with the rending of mountains and the throes of the earthquake. The Goddess of Liberty herself was born in the shock of battle, and amid its carnage has carved out some of our grandest victories, while o'er its crimson fields the race has marched on to higher and nobler destinies. As the lightnings of heaven rend and destroy only to purify and reinvigorate, so freedom's cannon furrows the fields of decaying empires and seeds them anew with human gore, from which springs a more vigorous race to cherish the hopes and guard the rights of mankind.

The millennium, long promised, when the lion and the lamb will lie down together and a little child shall lead them, will some time come. But not till all governments are based on the consent of the governed and every human being is in the enjoyment of liberty protected by law. Then, and not till then, can the sword be beat into plowshares and the spear into pruning hooks. Until that time the ear of humanity will be pained with the roar of hostile cannon and the angels must weep over the martyred brave.

When the smoke vanished from the last battlefield of the American civil war and its armed hosts returned to their homes, laying aside their armor for the implements of the various avocations of peace, there was a universal belief that the Republic had seen its last war. It was not thought then that any circumstances could possibly ever arise for the Government to call its citizens again from their peaceful pursuits to the tented field. But such a summons has gone forth, and the drumbeat and tramp of marching armies are again heard, and the thrilling reports of unprecedented naval victories come floating over the seas.

This nation is at war with Spain to end her brutal warfare upon women and children and to put a stop to the infliction of her cruel atrocities upon a neighboring people, and because she failed to maintain in the Island of Cuba a government able and willing to protect the lives of American seamen under the flag of their country on a mission of peace to her ports.

In justice to the memory of the hero martyrs who died under the flag of their country by Spanish treachery, and in behalf of the claims of a common humanity, of a people doomed to extermination by starvation and the sword, this nation demanded that Spain

should withdraw her flag and forever abandon her sovereignty over the Island of Cuba.

For this purpose the President was authorized to intervene with the Army and the Navy of the United States and stop this doubly cruel and barbarous warfare. When that shall have been done the people of Cuba can then establish for themselves a free and independent government to be recognized by the United States of America as a sister republic.

In the discharge of this national obligation to humanity and to liberty, as well as the higher obligation and duty of protecting the lives of American seamen, under the flag of their country wherever it floats, this nation has intervened with its great power for the accomplishment of such a purpose. And when it shall have been accomplished, the vindication of the patriot heroes who found a watery grave in the harbor of Havana will be the expulsion forever of Spanish sovereignty from the American Continent. And these heroes will not then have died in vain. The tablet that will bear their memory through all time can then be inscribed:

Whether on the scaffold high
Or in the battle's van,
The fittest place where man can die
Is where he dies for man!

The objects to be obtained, and the only ones expected when Congress passed the declaration of war against Spain, were confined to the Island of Cuba. And the gentleman from Missouri [Mr. BLAND] and the gentleman from Tennessee [Mr. RICHARDSON] quoted the declared purpose in that declaration of war to sustain their positions against any acquisition of territory as a result of the war.

I agree with them that when that declaration of war passed there was no purpose or thought by anybody of acquiring additional territory as a result of this war. Humanity alone controlled in the passage of this declaration. But a nation which appeals to battle for the settlement of any question must be ready to meet any and all responsibilities resulting therefrom, whether foreseen or not.

The same Congress of the United States which authorized the equipment of 500,000 men to preserve this Union declared by resolution that the war was not to be prosecuted for the emancipation of slavery. Yet the first gun fired in that conflict was the death knell of human bondage, and the sun in his course across the continent from ocean to ocean no longer rises on a master or sets on a slave.

In our national destiny what new pathways may be blazed out by American cannon on land and battle ships on the seas no prophetic ken can now foresee. And how and in what way the American people ought to discharge the new, unforseen, unexpected responsibilities cast upon them in far-off Asia no human sagacity can now foretell.

If the intervention of this nation in the affairs of Spain in behalf of humanity and liberty in Cuba shall result, in the providences of God, in the emancipation of ten millions of people in her colonies from her despotic rule, shall the American people shrink from these new responsibilities in behalf of liberty and humanity? Has the rule of Spain in the Philippines been any more humane than in Cuba? Through a long history her cruelty in peace and brutality in war have produced at intervals long or

short the Alvas and the Weylers, counterparts of the Neros and Caligulas of pagan Rome in the zenith of her brutal shows of dying gladiators and women and children torn to pieces by wild beasts in the arena of her Coliseum, a gala-day spectacle for Roman holidays.

Within a week after the declaration of war against Spain by the Congress of the United States 8,000,000 of people in the Philippines that had been subjected for four hundred years to the despotic, cruel rule of Spain, such as she had exercised over the Island of Cuba, were liberated from their thraldom by a naval victory in battle unparalleled in the world's history, unexpected and unthought of when the declaration of war against Spain passed.

Commodore Dewey, with a squadron of the American Navy, cruising in Asiatic waters on the customary mission of his Government to friendly nations, suddenly finds himself shut out of the ports and harbors of every nation by the enforcement of the international law of strict neutrality between belligerents. With the Stars and Stripes flying at the masthead of his squadron he enters a harbor of Spain, destroying its land fortifications and sinking a formidable navy moored there for their defense, without the loss of a man or a ship, and with slight injury to either.

Does anyone who believes in the control of an overruling Providence in the affairs of men believe that such a victory was a mere accident? There is a divinity in the destiny of nations as well as in the lives of individuals—

That shapes our ends, rough hew them how we will.

In the retributions for organized national wrongs it is fixed in the immutable decrees of that overruling Providence that nations which incorporate into their institutions, their customs, or their laws a barbarism that blunts the sense of justice and chills the humanity of their people will soon or late surely die. It is the great fact stamped on all the crumbling ruins that strew the pathway of empires.

If we divest ourselves of the egotistical belief so congenial to human nature that the generation of the present is wiser than any that will succeed it, we can then safely intrust the settlement of all public questions to the considerate judgment of the generation that may be called upon to settle them, in full confidence that it will be done quite as wisely and as well as it would be if done by ourselves. Let the present generation with bold and manly hearts meet its own responsibilities to liberty and humanity, and settle them in its own best judgment in view of surrounding circumstances, without reference to supposed conjectural conditions in the future.

Trust no future, howe'er pleasant!
Let the dead past bury its dead!
Act, act in the living present!
Heart within, and God o'erhead!

The starry banner of our fathers, baptized in patriot blood in the first and second war of American independence, and rechristened in the mighty conflict of arms in this generation will henceforth, over whatever portion of the earth's surface it may float, be the emblem of liberty, justice, and the inalienable rights of mankind.

3437

O

SPEECH

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, February 13, 1896.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 2904) to maintain and protect the coin redemption fund and to authorize the issue of certificates of indebtedness to meet temporary deficiencies of revenue—

Mr. GROW said:

Mr. CHAIRMAN: Money adds no value to anything without pre-existing labor. Law, within its jurisdiction, fixes the debt-paying value of money by making a legal tender; but real value in money for trade and commerce is no more the creature of law than is value in flocks, herds, and cultivated fields. Law fixes the unit of value, but can not fix or make the value in the unit. That is done by the dealers in the commodities for which money is exchanged, and it is graded according to the cost of production, the supply and demand of money and the commodities at the time of the exchange. The dealer in the products of labor fixes the value of what shall be received for them. Like the wood-chopper on the banks of the Mississippi River, near the close of the rebellion, when hailed by a steamboat captain, who asked whether his wood was for sale, and he answered, "Yes." The captain inquired, "How much a cord?" "How do you propose to pay?" "In Confederate money." "Then cord for cord." [Laughter.]

If it were possible to pass a law which would be sustained by the courts providing that every 3-year-old steer should pay a debt of $20, that would be the debt-paying value of the steer; but the butcher, if he bought it, would pay only what its meat, when dressed, could be sold for to his customers. Law can compel the creditor to receive from his debtor what the law says shall discharge the debt. But law can not compel a dealer in the products of labor in the course of trade to exchange his ownership for anything that he does not at the time consider an equivalent of what he parts with.

When contracting a debt, if the seller knows what he must receive his debt in and does not believe the article worth in real value the commodity he is selling, he adds to the price of his commodity so as to make it even; and the greater his doubt or distrust the greater per cent he adds, until the distrust makes the proposed article of exchange worthless. So every dealer in commodities judges for himself as to the value of articles in actual exchange. But when the value of his commodity is put into a debt, then he must take in its discharge what the law declares legal tender.

Legal tender creates no value: it simply declares what shall pay a debt. A thing of no commercial value is not an equivalent of a product of labor, and no legislative enactment can make it such. It may be used as such temporarily, under the stress of some overruling necessity; but if continued any length of time will,

by the inevitable expansion and contraction that must follow, end in bankruptcy and financial ruin. The question before us is whether it would be wise for this Government alone, without the cooperation of any other nation, to open its mints to the free and unlimited coinage of silver, stamping 371¼ grains of pure silver as a dollar. When it is thus stamped with the unit we have fixed by law, its debt-paying value is fixed at $1, but its commercial value is not changed. If it were, what would be the use of putting the stamp "One dollar" on 371¼ grains. Why not stamp that amount of silver as $1,000? We could do it just as easily.

[Here the hammer fell.]

Many MEMBERS. Go on!

Mr. McCALL of Massachusetts. I ask unanimous consent that the gentleman's time be extended for five minutes.

There was no objection.

Mr. GROW. I thank the committee, Mr. Chairman, for its courtesy, and I will proceed as speedily as possible with my illustration in refereuce to the unit value of money.

For successful business at home and in trade with the nations, debt-paying value and commercial value ought to be the same. And it is essential that a standard or measure of values should be recognized alike by all the dealers in the commodities or real values for which the standard or measure is exchanged. Money is the commodity used to facilitate the exchange of other commodities and to settle the difference in the values of the commodities. Its chief employment is to pay balances in business. The standard or measure of values should therefore retain the same value when paid out that it had when it was received; otherwise somebody would be the loser by its use. And it should contain the greatest amount of commercial value in the smallest space; for weight and bulk affect the convenience and expense in its use.

Gold [holding up a twenty-dollar gold piece] represents what the commercial nations of the earth, or the most of them, have adopted as a standard or measure of value. In this gold piece there are twenty units of value by our law; and in this roll of 20 silver dollars there are the same number. But the bulk of the silver is over twenty times greater and the weight is sixteen times greater. The value of the twenty units in the silver, if there were no pledge of the Government to keep them on a parity in the markets, would to-day be about one-half of the commercial value of the same units in the gold dollar, while the debt-paying value would be the same in each. If, then, there is to be but one standard of value, the gold would be preferable by reason of its greatly less bulk and weight. If the two standards of gold and silver could be kept equal—that is, interchangeable in purchasing power—then it would be best to have both, for thereby the silver could be added to the volume of circulation.

If our mints were now opened to the free and unrestricted coinage of silver at 16 to 1, what would be the result? A merchant in France, Germany, or England owing our citizens $1,000,000 could bring silver and have it coined here; and if the commercial value of silver, 371¼ grains, in his country were 50 cents, he could have what cost him $500,000 stamped at our mint $1,000,000, with which he could pay his debts. But an American merchant owing in either of these countries could not do the same thing by taking American silver dollars there. His $1,000,000 in standard American silver dollars would pay his creditors there only $500,000.

[Here the hammer fell.]

O

ORIGIN OF THE COMMITTEE OF THE WHOLE HOUSE ON THE STATE OF THE UNION, AND ITS USES IN LEGISLATION.

SPEECH

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA,

IN THE

HOUSE OF REPRESENTATIVES,

DECEMBER 14, 1898.

WASHINGTON.
1898.

SPEECH

OF

HON. GALUSHA A. GROW.

COMMITTEE OF THE WHOLE HOUSE ON THE STATE OF THE UNION.

Mr. DINGLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. GROW] may make a statement that will be of value and interest to the House, as I know it will, respecting the origin and functions of the Committee of the Whole on the state of the Union. He desires to occupy five or ten minutes, and I ask that he be allowed to do so.

The SPEAKER. Is there objection?

There was no objection.

Mr. GROW. Mr. Speaker, at the last session of Congress, in a debate that sprung up during quite a little excitement over the question as to the right of members to debate, I stated, in answer to some queries, my recollection as to the origin of the Committee of the Whole House on the state of the Union, and its uses, and why such a committee existed in the American Congress. The first great rule of parliamentary bodies everywhere is that debate must be confined to the subject under consideration.

In the old Congress under the Articles of Confederation and Perpetual Union the title of all its acts was "The States in committee assembled." That was the beginning of legislation by the colonies after their first union. In that committee of the States assembled resolutions were adopted stating what they thought advisable to be done, and these resolutions were submitted to the separate colonies to be acted upon. The Congress of the Confederation could only recommend.

The Convention that framed our present Constitution passed a resolution at the beginning of its sessions "That the House resolve itself into a Committee of the Whole House to consider the state of the Union." The wording of this resolution would be most appropriate for use in naming the committee when rules came to be adopted for legislation in Congress. One of the rules adopted on the report of a committee of which Madison was a member, in the First Congress, in 1789, even before the inauguration of the President, was:

It shall be a standing order of the day through the session for the House to resolve itself into a Committee of the Whole House on the state of the Union.

The original formula for the report of the Chairman of this committee, and which, I think, continued unbroken until quite recently, was: "The Committee of the Whole House on the state of the Union have had under consideration, according to order, the Union generally, and particularly a bill" (stating its number and title), "and have come to no resolution thereon," or "have adopted sundry amendments," as the case might be. The reason for the adoption of the word resolution in this formula was that the original

reports of this committee were all in resolutions, as embodying, after full consideration, the seuse of the committee as to what ought to be doue on the subject referred to.

Mr. Madison, in the First Cougress, on his resolution in the Committee of the Whole House on the state of the Union, declaring that certain duties ought to be levied on imported merchandise, which was the basis of the first tariff passed by Congress, said, in reference to discussions in that committee, that—

> We must consider the general interest of the Union, for it is as much every gentleman's duty to consider as is the local or State interest.

After our present Constitution was adopted the same idea was carried into the proceedings of Congress under the uame of the Congress of the United States of America, and among the first rules adopted under the new Constitution was one that the House should resolve itself each day into the Committee of the Whole House on the state of the Union. And if you will look at the Annals of Congress you will find the chairman of that committee very often reporting, as there was nothing before the committee specifically, that the Committee of the Whole House on the state of the Union have had, according to order, the Union generally under consideration and have come to no resolution thereon Hence comes this word "resolution" in the report from that committee now.

Each day the House was obliged to go into the Committee of the Whole House on the state of the Union, and in that committee any member offered a resolution stating what he thought ought to be done. That resolution was discussed and amended. The first tariff act, as I have just said, was passed in that way. Mr. Madison offered a resolution that duties ought to be levied on imported merchandise, and after discussion and amendment it was reported to the House.

The House could amend these resolutions as it pleased after they were reported from the committee, and then a committee was specially appointed to bring in bills, if necessary, which bills were referred to the Committee of the Whole House; and in the Committee of the Whole the legislation was perfected. But the Committee of the Whole House on the state of the Union was simply to prepare business and give every member an opportunity to express his views upon all things relating to the Government of the Union and its people; and therefore all propositions for legislation began with this committee, differing probably from any legislative body in the world.

For there is no government to-day on the face of the earth that has the American system of independent States, with three coordinate departments with almost full legislative powers over their respective territorial limits, and those States in their relation to a general government over all like ours; so there was a necessity for the Government of the Union to have some place for legislating for them all, where everything that related to their general welfare could be considered. It seemed to be a settled point in forming the more perfect Union that a Committee of the Whole House on the state of the Union was the proper place for determining in free discussion principles or policies before they were sent elsewhere to be embodied in bills or resolutions under strict rules of debate for final enactment into law.

Hence, the Committee of the Whole House on the state of the Union was a necessary and natural growth out of the old Com-

mittee of the States Assembled under the Confederation. The title of the old acts under the Articles of Confederation was: "We, the United States, in committee assembled." Then, from it, under the new Constitution, was adopted the title which we now use: "Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled."

The first messages by the Presidents were speeches, not written messages in the form in which we now receive them. A time was fixed when the President would appear in the Senate Chamber and deliver his speech, in imitation of the practice of the British Government of a speech from the throne at the opening of Parliament. The two Houses assembled in the Senate Chamber, the speech was delivered: and the first speech of George Washington was delivered on the 30th of April, 1789. On the 1st day of May the Speaker laid before the House "a copy of the speech delivered by the President yesterday in the Senate Chamber."

That speech was referred to the Committee of the Whole House, because all that was necessary was to prepare an address in reply to it, and the Committee of the Whole was the place for perfecting all acts of the House. The Committee of the Whole on the state of the Union was where they initiated legislation, everyone amending and changing and talking and discussing and giving his views. Whatever resolution the Committee of the Whole House on the state of the Union reported, a committee, if one was necessary, was ordered in the House to prepare bills to carry out the object of the resolution, and these bills, when reported by the committee, were then referred to the Committee of the Whole, and there every member must speak to the subject under consideration.

No place was left in the early rules any more than now in which general debate was allowed except in this Committee of the Whole House on the state of the Union. The first speech of the President, therefore, was referred to the Committee of the Whole, and a committee was appointed before the House went into that committee to prepare an address in reply to the speech of the President. Madison was at the head of it. When that committee had prepared their address and reported it to the House, the House referred it to the Committee of the Whole, and after perfecting it reported it back, and the House could then amend if they chose to, but if not, then it stood as the address in reply to the President's speech delivered in the Senate Chamber.

Under the old parliamentary law of our ancestors, the Speaker of Parliament delivered the address in reply to the speech from the Throne, but it was the speech of the House—it was the speech of Parliament. So our fathers adopted this old custom; and while the Speaker had nothing to do with preparing the address, he must deliver it. The House accompanied him to the Executive at a time fixed to suit his convenience, and the Speaker delivered the address of the House of Representatives, in reply to the speech of the President, to both Houses assembled in the Senate Chamber. In Parliament the Speaker delivered the address of the House of Commons in reply to the address from the Throne. And the reason why the only member of Parliament that did not speak at all was called the Speaker was because he must deliver the reply of the House of Commons to the address from the Throne.

Following the practice of the British Parliament in the organization of the American Congress, its presiding officer was called Speaker because he was to speak the speech of the House in reply

to the speech of the President, accompanied by the House of Representatives and which had been previously prepared by the House in one of its special committees. That continued until 1801, when Mr. Jefferson sent a note with his first annual message, referring to the inconvenience of this method of the Executive communicating with Congress, and suggested that it be by written message, which he sent to Congress. That note accompanying his message and the message itself were referred to the Committee of the Whole House on the state of the Union. That was the last action taken upon it by the House.

And the formula has continued—the President communicates to the House a message in writing. From that time all the messages of the Presidents have been referred to the Committee of the Whole House on the state of the Union; and as it would be the first thing done by Congress it would stand at the head of the Calendar, and would be good reason, and consistent with all parliamentary law that any member might discuss in Committee of the Whole House on the state of the Union any subject, because the President's message related to any subject that any member would probably desire to talk about. But whether he did or not, the committee itself was the Committee of the Whole House on the state of the Union, and in it anything pertaining to the people of any of the States, or the relation of any State to the General Government, or this Government to any other, was a proper subject of debate and would be in order in that committee.

But the President's message was a double reason. That practice has continued down to the present time; and if I understand aright, with the exception of one Congress, it has been referred to the Committee of the Whole House on the state of the Union: and in that Congress occurred the innovation of having it referred to the Committee on Ways and Means. Then the Committee on Ways and Means reported with resolutions of distribution, and had it referred, and it passed away from the Committee of the Whole House on the state of the Union. But that would not change the object of the origin of this committee; and members should understand fully that there is a place under the rules of the House that allows just as unlimited debate as that which exists in the Senate. Gentlemen think they are confined and cramped here. They have in this committee the same unlimited debate, except as to the time of each speaker.

There never was any rule limiting the time of debate of members in the House until about 1840, I think, or thereabouts. Later, the five-minute rule was adopted. The rule was the same as now, that after general debate closed in Committee of the Whole House on the state of the Union upon any question, the five minutes' discussion could be had upon any amendment, and no bill could be reported from the Committee of the Whole House on the state of the Union so long as a member had an amendment he proposed to offer.

But under the old practice (and the rule is not changed) he offered an amendment and was allowed five minutes to advocate it, and one speech of five minutes in opposition was allowed, and then it was the duty of the Chair to put the question on that amendment. Then you could not move to strike out the last word and talk on anything else, which is an innovation that prevents the perfecting of legislation. The five-minute rule, if enforced, would make sure that every bill should be read through in the

Committee of the Whole House on the state of the Union, and so long as anybody proposed an amendment it could not be reported to the House; if the majority of the committee was opposed to the bill it could strike out the enacting clause; and if the committee did that, and the House did not agree in it, under the old practice the bill immediately went back to the Committee of the Whole House on the state of the Union.

So if this rule, which is the same as it always has been, were strictly enforced and lived up to, there could no bill pass the House any more than it does the Senate without being read through from the beginning and any and every member having an opportunity to offer his amendment if he desired to. In Committee of the Whole House on the state of the Union the old formula in reporting from that committee was: "The committee has had, according to order, the Union generally under consideration and particularly" a bill (naming the number and title). I think the old formula should be continued—it means something—instead of reporting the Committee of the Whole House on the state of the Union has had under consideration a particular bill, omitting "have under consideration the Union generally," which is the highest object of the committee, the old formula required it to be stated every time the report was made by the Chairman of the Committee of the Whole House on the state of the Union.

In the last session, it will be remembered, we had little asperities sometimes when gentlemen were addressing themselves to subjects not before the House, and the rule was attempted to be enforced strictly, and requiring them to confine their remarks to the subject before the House, which is a rule that has always been and always must be enforced if the House is to proceed orderly and discharge the business in the House expeditiously.

That could not be done if there was unrestricted debate in the House. The subject before the House must be considered. The Senate, in its unlimited debate, almost, has generally the subject before the Senate that the Senator speaks on, or any Senator can call him to order as not speaking on the subject; and if in no other way, he offers a resolution on the subject he wishes to speak on, which brings him under the old parliamentary law. In the House, when in the Committee of the Whole House on the state of the Union, we have the same unrestricted debate, with the exception of the limit of time to one hour. No resolution need be offered. General debate can proceed on any question unlimited except as to the time limit on the individual.

So no injustice by the rules is done to any member. If the rule were strictly enforced in the House that all debate must be confined to the subject before the House and in committee, after general debate is closed, all discussion under the five-minute rule must be confined strictly to the amendment offered, there could be only one speech for and one speech against, and then the vote must be taken before allowing another amendment to be offered. Every member would have full opportunity to offer any amendment to any bill and have it voted upon.

But under our practice, with the five-minute discussion, it amounts to nothing in perfecting legislation. Gentlemen take that occasion to talk upon all subjects, move to strike out the last word and speak on anything else. Under the old rule the Chairman would hold him to show the reason why the last word should be stricken out, and he could not talk upon anything else. If we

had that rule enforced to-day, every bill would have to be read through by clauses and every member would have the right to speak five minutes on any amendment he might offer.

In every other case, except in the Committee of the Whole House on the state of the Union, the debate should be confined strictly to the subject under consideration in order to hasten and facilitate legislation, and the Committee of the Whole House on the state of the Union is the place for general discussion. All questions that members desire, either for their local community or for the greater community, the people of the United States, is there open and free to discussion by any member. In that committee all of the discussions of fifty years on the question of slavery in this country, its relation to the State, to the Union, whether an economic institution or not, all the grave questions affecting the States and their relation to the Union, and the question of the disposition of the public lands, took place.

That was the only place you could be heard on these grave questions in most cases, for in most cases there would be nothing pertaining to the question that would allow general discussion. Day after day the first motion after reading the Journal was to go into Committee of the Whole House on the state of the Union, with the understanding by everybody that it was for general debate—general talk on anything that a member desired to talk on, and the first man that obtained the floor was entitled to be heard.

Sir, it was only in that way that the little band of free-soilers in early days could be heard. There was no favoritism given to their views; extreme abolitionists in the North could be heard on this floor; all the powers that controlled it then did not favor their opinion. The free-soil element of the great North would have been silent unless the rule prevailed somewhere that they could be heard on their views upon this great institution that affected more vitaly the welfare of the Republic than any institution that ever existed on American soil or ever will exist.

But, Mr. Speaker, I had no idea of making any speech on bygone questions. It was simply in compliance with the request of many members of the House, after that little discussion at the last session, that I promised that I would avail myself of some opportunity to explain more fully the reason why this general debate existed in one committee of the House and did not exist anywhere else. I did not see any good opportunity to trespass upon the time of the House in the last session, and I would not now only there seems to be a little lull in the business, nothing requiring immediate action. I thank the House for its attention and courtesy. [Applause.]

3608

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If any one attempts to haul down the American flag, shoot him on the spot.
—GENERAL DIX, Secretary of the Treasury, 1861.

REMARKS

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA,

IN THE

HOUSE OF REPRESENTATIVES,

JANUARY 27, 1899.

WASHINGTON.
1899.

REMARKS
OF
HON. GALUSHA A. GROW.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 11022) for the reorganization of the Army of the United States, and for other purposes—

Mr. GROW said:

Mr. CHAIRMAN: When Thomas Jefferson was inaugurated President, the area of territory of the United States of America was less than 900,000 square miles. The population, by the census of 1800, was a little over five millions, scattered along the Atlantic seaboard, hemmed in by the ocean in front, the wilderness and the savage in the rear.

In 1850 the territorial area of the United States was a little over 3,000,000 square miles and its population 23,000,000. When the declaration of war against Spain passed Congress, the territorial area of the United States was 3,600,000 square miles, and the population was about 75,000,000. In our past history the population has doubled in numbers every thirty years. This vast acquisition of territory began in 1803, not by the expectation or solicitation, in the first place, of the American people. The acquisition of Louisiana came to us not because of our solicitation. Jefferson instructed our ministers to France and Spain to procure, if possible, a landing place at what is now New Orleans for goods for reshipment without the payment of duty, and the free navigation of the Mississippi River. They were authorized to pay for these privileges $2,000,000, if they could not be procured for a less sum. But Napoleon, as if marking out for us the manifest destiny of the great Republic, instructed his secretary of treasury to cede to the United States all the territory received from Spain from the mouth of the river to its source, including both banks, for a fixed compensation.

Our commissioners, Mr. Livingston and Mr. Monroe, were surprised at this proposition, but as it was in the days of sailing vessels, with no means of communicating with their Government at home in reasonable time, they agreed if France should make this cession of territory—double that of the old original thirteen States—we should pay France $15,000,000. This country has never yet taken a foot of soil as a conquest of war alone. All of its acquisitions have been made on the payment of money. Even when our flag floated over the halls of the Montezumas, we paid Mexico $15,000,000 for the territory acquired at the close of that war. With the exception of the Floridas, Alaska, and the Gadsden purchase, all the acquisitions of territory to the United States have come, as I said before, unexpected and unsolicited on our part in the first place.

With the declaration of war with Spain our Army and Navy went forth to conquer the power of Spain in the island of Cuba because it was our neighbor, and in behalf of liberty and human-

ity. They went forth in a great crusade for the rights of a common humanity. But within a week ten millions of the colonists of Spain, in far-off Asia, were placed under the American flag, and that people relieved from the cruel despotism of Spain that they and their fathers had groaned under for three centuries.

To-day our flag rightfully floats over an island in the Atlantic Ocean, a thousand miles from our eastern shore. In the same manner it floats over a larger island in the Pacific, in far-off Asia, 10,000 miles away. The last rays of parting day scarcely fades from the hillsides of Porto Rico before the morning sun gilds the spires of Manila and the mountain tops of Luzon. What disposition shall be made as to the people in this vast expanse of territory over which our flag floats to-day rests with the American Congress.

What kind of government shall be established will depend on the calm, deliberate judgment of Congress on that question when the treaty of peace with Spain is ratified. Under that treaty it is agreed that Spain shall withdraw her sovereignty from the Philippine Islands and we send her soldiers home. On the 10th of December, 1898, the time of the agreement on a treaty of peace, one volume of the world's history was closed and a new one opened. In the last chapter of that closed volume is recorded that the sovereignty and the flag of Spain have been withdrawn forever from the American continent, a flag that at one time floated over a larger portion of the American hemisphere than that of any other one nation.

What shall be recorded in the new volume on American history depends upon the action of the American people; and when the treaty is ratified the duty and responsibility of Congress will not be how they can shirk the duties and responsibilities thrown upon them by the fortunes of war. It will then become a question of how can the American people best discharge their responsibility to liberty and the common rights of humanity; for it was for that the sword was unsheathed and Spain was required to withdraw her sovereignty from this continent. Any nation in this age of Christian civilization that appeals to war to settle any question must be willing and ought to be ready to discharge all its responsibilities to liberty and humanity cast upon it by the fortunes of war, whether foreseen or not.

Now, it seems to be agreed on all sides that there shall be an increase in the Regular Army, whether it be a few thousand more or less is of little consequence. The flag of our country wherever it is rightfully planted can not be removed with honor to the American people by any power except that which planted it, and so long as patriotism dwells in the American heart and it is loyal to the glorious traditions of a heroic ancestry, over whatever portion of the earth's surface it may rightfully float it will never be lowered except by the same power that raised it. [Applause.]

We have to determine what is to be done with these new acquisitions of territory, what government shall be established, and to determine these questions in view of the rights and happiness of the American people and the rights and happiness of the people that dwell in the new acquisitions. Whatever disposition shall be made and what kind of government is to be established, the same rule applies to the Philippines that applies to Porto Rico. The flag was planted in both by the power of the American nation, and must stay where it was thus planted until the American nation withdraws it. [Loud applause on the Republican side.]

3685

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EULOGY ON JUSTIN S. MORRILL.

ADDRESS

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA,

IN THE

HOUSE OF REPRESENTATIVES,

FEBRUARY 22, 1899.

WASHINGTON.
1899.

EULOGY ON JUSTIN S. MORRILL.

Mr. GROW. Mr. Speaker, in December, 1855, JUSTIN S. MORRILL took his seat in the old Hall, a Representative in Congress from the State of Vermont. The two great political party divisions of the American people were then Whig and Democratic. Mr. MORRILL took his seat on the Whig side of the House. For four years preceding I had occupied a seat on the Democratic side. But during the eight weeks' contest for the election of Speaker, we both voted for Nathaniel P. Banks. From that time to his death we were coworkers in the Republican party, with a personal friendship devoted and sincere and never in the least degree impaired.

I come now to lay an offering of affectionate sorrow upon his new-made grave, with a sadness such as falls upon the heart when a lifelong friend whispers that last earthly farewell as the spirit's frail bark puts off into the unknown dark, but with an abiding consciousness and unwavering faith that we shall meet again. For the world's Redeemer, in His teachings on the seashore and along the hillsides of Judea, bade the desponding of earth's pilgrims take courage, for the grave is not the end of man.

Mr. MORRILL's life was cotemporaneous with that of all the Presidents except Washington. The death of both Jefferson and John Adams, the first after that of the "Father of his Country," was on the 4th day of July, 1826. At that time Mr. MORRILL was 16 years old, just entering upon the threshold of young manhood.

Our history since the adoption of the Constitution in 1789 can be divided into three important epochs or periods of about one-third of a century each, marking the formation and distinctive action of political parties, into which the American people have been divided during this hundred years. Each of these periods or epochs had its distinctive political agitation on grave questions of national welfare. The first of these periods ended in 1824 with four Presidential candidates and with the disintegration of the old political parties, known as Federal and Republican, and the formation of new ones, which finally took shape under the party name of Whig and Democratic, continuing thus until the repeal of the Missouri compromise in 1854. Since that time the two controlling political party divisions have been known as Republican and Democratic.

In each of these epochs or periods the country was engaged in war. In the first, from 1812 to 1816, was the second war of American independence with the "proud mistress of the seas," resulting in the establishment forever of the inviolability of American citizenship by any foreign power. In the second period was the war with Mexico, resulting in a vast expansion of our territorial area, reaching from ocean to ocean. In the last of these three periods is the war with Spain, which marks a new era in the history of the nations.

In each of these periods or epochs, in addition to its war, great political questions have agitated the public mind on the hustings

and in the forum, all of which have been comparatively settled except those in this last epoch, now just ended.

In the first was the question of the fundamental principles of the more perfect Union formed by our fathers, represented on one side by Thomas Jefferson and James Madison, on the other by John Adams, Alexander Hamilton, and John Marshall. In the second was the financial policy to be finally established in the Government and the constitutional limits of legislation between the government of the Union and that of the States. In the third, more intense and excitable than all others, was the question of the constitutional limits and restrictions on the expansion of slave-labor institutions, which finally culminated in the mightiest conflict of arms in the history of the race, ending with an indivisible Union and a country without a slave.

Mr. MORRILL'S life began in the first of these three epochs or periods of national existence and ended with the third. His service in both the House and the Senate was a little over forty-three years, exceeding by six years that of any other person in continuous service. In the last two it can be said of him what Æneas said of himself in describing to Queen Dido the trials and the great deeds at the siege and fall of Troy, "quorum pars magna fui"—of which I was no insignificant part. In the legislation and the events of our country's history in these last two epochs of over fifty years Mr. MORRILL has been a conspicuous figure. By his untiring industry and unselfish devotion to the best interests of his country he impressed himself upon this great historic period and has linked his name inseparably to most of its useful and enduring legislation.

His private worth, his amiable traits of character, and his public services have been specifically so faithfully portrayed that no additional words of mine are needed. Whoever by heroic or great beneficent acts stamps his character upon the pillars of the age in which he lives can never die. Though wrapped in the shroud, he will live in the affections of the present and the gratitude of coming time.

It can be truly said of Mr. MORRILL, what is the highest possible praise that can be bestowed on individual statesmanship, "He never gave to party what belonged to his country."

> The battle of our life is brief—
> The alarm, the struggle, the relief—
> Then sleep we side by side.

But in that brief battle man is permitted by a kind Providence to perform deeds of greatness—deeds that live long after the marble crumbles and the brass fades.

The State of Vermont, with fitting and well-becoming pride, can engrave the name of JUSTIN S. MORRILL on the mountain sides of its polished marble and enduring granite, in her long list of distinguished citizens who, by their eminent services to their country, have made their names immortal.

3795

O

THE TWENTY MILLIONS TO BE PAID TO SPAIN UNDER THE TREATY NOT PURCHASE MONEY FOR THE PHILIPPINES.

SPEECH

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA,

IN THE

HOUSE OF REPRESENTATIVES,

MARCH 1, 1899.

WASHINGTON.
1899.

SPEECH

OF

HON. GALUSHA A. GROW.

The House having under consideration the bill (H. R. 12203) making appropriations to supply deficiencies in the appropriations for the fiscal year ending June 30, 1899, and for prior years, and for other purposes—

Mr. GROW said:

Mr. SPEAKER: It has been alleged, and the idea exists in the public mind, that the $20,000,000 which was to be paid to Spain nnder the treaty was purchase money for the Philippine Islands. I have taken a little pains and some tronble to get together the facts in consecntive order by dates relative to the negotiations pending between the American and Spanish commissioners, from the beginning to the close of their negotiations, which will show that this $20,000,000 was not paid for the Philippine Islands at all, bnt it was paid in closing the negotiations that began in a discussion as to how much of the debt of Cnba, amounting to some $500,000,000, should be assnmed by the United States or by the island of Cnba when it should form a government of its own.

At the time of offering the $20,000,000 by the American commissioners not an article of the treaty had been agreed to. The varions propositions had been discussed and assented to conditionally, dependent on a final agreement as to the whole treaty. The negotiations had reached a point at the time of this offer where there was serious doubt whether any treaty wonld be signed by both commissions. That this was the case I quote the following from a speech of Senator GRAY, one of the American commissioners, made by him in New York at the banquet of the Ohio society February 25, 1899:

> There came a time in the course of those negotiations—and this, perhaps, is one of the secrets to which your president alluded—when, after four or five weeks of doubt and anxiety, it became apparent that these negotiations must either be broken off and your commissioners return without a treaty at all, and that we would be relegated to the necessity of taking not only the Philippines, but Cuba and Porto Rico, by the ruthless hand of military conquest, or, by some concessions that comported with the magnanimity and greatness and character of this country, gain them by the voluntary cession of a treaty of peace.

It was at snch a time the offer was made as a final settlement of all the questions in dispute.

The payment of $20,000,000 to Spain provided for in the treaty was not, therefore, purchase money for the Philippine Islands. A careful examination of the negotiation on the several articles of the treaty shows conclnsively that the $20,000,000 was finally agreed on to cover all the points of difference between the American and Spanish commissioners on all the articles of the treaty, none of which was finally concluded until the adoption of the last article.

The most strennons contention of the Spanish commissioners from first to last was the liability of the United States for the payment of the debts of Cuba and Porto Rico. The withdrawal of

Spanish sovereignty over Cuba, the cession of Porto Rico and the Spanish islands in the West Indies, and the cession of the island of Guam in the Ladrones, and the withdrawal of Spanish sovereignty from the Philippines, all these questions were left undetermined until the final agreement on the payment of the $20,000,000.

I call the attention of the House especially to the facts in the negotiations on the several articles of the treaty, which I will present from the official record of the negotiation published in Senate Document No. 62, part 1, of the third session of the Fifty-fifth Congress [the italics in all the extracts are my own]:

The protocol signed August 12, 1898, was the basis of the treaty of peace. Article III of the protocol was the only one over which there was any considerable discussion as to its specific meaning. Its wording is—

> The United States will occupy and hold the city, bay, and harbor of Manila pending the conclusion of a treaty of peace; *which shall determine the control, disposition, and government* of the Philippines.

October 1, 1898. The peace commissioners met at Paris. The subject of the first conference was the status quo in the Philippines. This question was passed over with the right to bring up the subject hereafter. Without consuming time in remarks of my own, I will ask consent to extend them after the House has heard read certain extracts from the discussions on the propositions that were finally agreed upon between the American and Spanish commissioners, which will be more interesting to the House and give members more information, which I am anxious they should have, than any remarks that I can make.

From October 7 to October 26 the commission was engaged in discussions on the debt of Cuba, amounting to about $500,000,000, and the cession by Spain of her sovereignty over the island; and the cession of Porto Rico and the Spanish islands in the West Indies, which ended temporarily with the following language:

> The American commissioners deem it unnecessary, after what has been stated, to enter into an examination of the general references, made in the Spanish memorandum, to cases in which debts contracted by a state have, upon its absorption, been assumed by the absorbing state, or to cases in which, upon the partition of territory, debts contracted by the whole have been by special arrangement apportioned. They are conceived to be inapplicable, legally and morally, to the so-called "Cuban debt," the burden of which, imposed upon the people of Cuba without their consent and by force of arms, was one of the principal wrongs for the termination of which the struggles for Cuban independence were undertaken. (Executive Document No. 62, part 1, page 50.)

At the conference October 14, 1898, the following suggestion was made by the Spanish commissioners and agreed to by the American commission:

> The Spanish commissioners stated that before proceeding with the discussion of the questions under consideration they desired it to be understood that if certain articles should be agreed to, but in the end no treaty should be signed, the articles so agreed to should not in such case be taken as expressing either Government's estimation of its just rights in respect of the subjects to which the articles related. (Senate Executive Document, No. 62, part 1, page 45.)

October 14, 1898 (Senate Executive Document No. 62, part 1, page 59):

> After much discussion, the president of the Spanish commission stated that the Spanish commissioners did not care for the phraseology in which the relinquishment of sovereignty was expressed, so long as it embraced an obligation as to debts, such as was stated in the second of the articles presented by them.

The president of the American commission, replying to this statement, inquired whether the president of the Spanish commission intended thereby to say that the Spanish commissioners would refuse to consider any articles as to Cuba and Porto Rico which contained no provision for the assumption of indebtedness by the United States or Cuba, or both.

October 26, 1898 (Senate Executive Document No. 62, part 1, pages 61 and 62):

The Spanish commissioners, although nnderstanding that strict law decides the question of the Cuban debt in their favor, are in duty bound and are willing to moderate the said strictness in view of the advantages which Spain may derive from other stipulations of the treaty which, without being prejudicial to the United States, may be favorable to Spain.

Considering, therefore, that the article or articles to which the president of the American commission refers can not at this time be the subject of final approval, since they must remain subject to the others to be included in the same treaty, meeting the approval of both high parties:

"The Spanish commissioners answer the said question by stating that, reiterating their conviction that pursuant to law the colonial obligations of Cuba and Porto Rico must follow these islands and their sovereiguty, they do not refuse 'to consider any articles as to Cuba and Porto Rico which contain no provision for the assumption of indebtedness by the United States, or Cuba, or both,' subordinating the final approval of such articles to that of the others which are to form the complete treaty, and they therefore invite the American commissioners to enter upon the discussion of the other points to be embodied in the treaty and, at the outset, to take up the discussion of the Philippine Archipelago, and to propose to the Spanish commissioners what they understand should be agreed upon in said treaty with respect to this subject."

The American commissioners, after the reading of this paper, inquired whether they were to understand that the Spanish commissioners accepted the articles previonsly presented by them as to Cuba, Porto Rico, and Guam.

The Spanish commissioners replied that they accepted them in the sense stated in the paper—provisionally, subject to the conclusion of a treaty of peace.

October 31, 1898 (Senate Executive Document No. 62, part 1, pages 108, 109):

The American commissioners, having been invited by the Spanish commissioners at the last conference to present a proposition in regard to the Philippine Islands, beg to submit the following article on that subject:

"Spain hereby cedes to the United States the archipelago known as the Philippine Islands and lying within the following line: A line running along the parallel of latitude 21° 30′ north from the one hundred and eighteenth to the one hundred and twenty-seventh degree meridian of longitude east of Greenwich, thence along the one hundred and twenty-seventh degree meridian of longitude east of Greenwich to the parallel of 4° 45′ north latitude, thence along the parallel of 4° 45′ north latitude to its intersection with the meridian of longitude 119° 35′ east of Greenwich, thence along the meridian of longitude 119° 35′ east of Greenwich to the parallel of latitude 7° 40′ north, thence along the parallel of latitude of 7° 40′ north to its intersectiou with the 116th degree meridian of longitude east of Greenwich, thence by a direct line to the intersection of the tenth degree parallel of north latitude with the one hundred and eighteenth degree meridian of longitude east of Greenwich, and thence along the one hundred and eighteenth degree meridiau of longitude east of Greenwich to the parallel of latitude 21° 30′ north."

A proper reference to the cession thus proposed may be inserted in the article of the treaty relating to public property, archives, and records in territory which Spain cedes or over which she relinquishes her sovereignty.

The American commissioners beg further to state that they are prepared to insert in the treaty a stipulation for the assumption by the United States of any existing indebtedness of Spain incurred for public works and improvements of a pacific character in the Philippines.

November 4, 1898. Proposition of the American Commission to assume the indebtedness of the Philippine Islands was rejected by the Spanish commission.

November 23, 1898 (Senate Executive Document No. 62, part 1, pages 210, 211). The following is the reply of the American commissioners on the rejection of their proposition:

The situation that has arisen in the Philippines was neither foreseen nor desired by the United States, but, since it exists, that Government does not shirk the responsibilities growing out of it; and the American commissioners

now make to the Spanish commissioners, in the light of those responsibilities, a final proposition.

The proposal presented by the American commissioners in behalf of their Government for the cession of the Philippines to the United States having been rejected by the Spanish commissioners, and the counter proposal of the latter for the withdrawal of the American forces from the islands and the payment of an indemnity by the United States to Spain having been rejected by the American commissioners, the American commissioners, deeming it essential that the present negotiations, which have already been greatly protracted, should be brought to an early and definite conclusion, beg now to present a new proposition embodying the concessions which for the sake of immediate peace their Government is under the circumstances willing to tender.

The Government of the United States is unable to modify the proposal heretofore made for the cession of the *entire archipelago of the Philippines*, but the American commissioners are authorized to offer to Spain, in case the cession should be agreed to, the sum of $20,000,000, to be paid in accordance with the terms to be fixed in the treaty of peace.

And it being the policy of the United States to maintain in the Philippines an open door to the world's commerce, the American commissioners are prepared to insert in the treaty now in contemplation a stipulation to the effect that, for a term of years, Spanish ships and merchandise shall be admitted into the ports of the Philippine Islands on the same terms as American ships and merchandise.

The American commissioners are also authorized and prepared to insert in the treaty, in connection with the cessions of territory by Spain to the United States, a provision for the mutual relinquishment of all claims for indemnity, national and individual, of every kind, of the United States against Spain and of Spain against the United States that may have arisen since the beginning of the late insurrection in Cuba and prior to the conclusion of a treaty of peace.

The American commissioners may be permitted to express the hope that they may receive from the Spanish commissioners, on or before Monday the 28th of the present month, a definite and final acceptance of the proposals herein made as to the Philippine Islands, and also of the demands as to Cuba, Porto Rico, and other Spanish islands in the West Indies, and Guam, in the form in which those demands have been provisionally agreed to.

November 28, 1898, the Spanish commissioners reply to the ultimatum of the American commissioners in the following language (Senate Executive Document No. 62, part 1, page 213):

Spain having on her part exhausted all diplomatic recourses in the defense of what she considers her rights and even for an equitable compromise, the Spanish commissioners are now asked to accept the American proposition in its *entirety* and without further discussion, or to reject it, in which latter case, as the American commission understands, the peace negotiations will end, and the protocol of Washington will consequently be broken.

The Government of Her Majesty, moved by lofty reasons of patriotism and humanity, will not assume the responsibility of again bringing upon Spain all the horrors of war. In order to avoid them it resigns itself to the painful strait of submitting to the law of the victor, however harsh it may be, and as Spain lacks the material means to defend the rights she believes are hers, having recorded them, she accepts the only terms the United States offers her for the concluding of the treaty of peace.

The stipulation in the treaty as finally adopted relative to the inhabitants of the islands acquired is in the following language, Article IX of the treaty:

The civil rights and political status of the native inhabitants of the territories hereby ceded to the United States shall be determined by the Congress.

Mr. Speaker, it will be seen by these extracts from the official records of the discussions on propositions to be incorporated as articles in the treaty of peace that all of them were left in abeyance until the treaty should be finally agreed on; and the final conclusion of the treaty was the proposition on the part of the American commissioners to pay Spain $20,000,000, which should cover all the controversy from beginning to end about the cession of territory or the debts of Cuba, Porto Rico, or the Philippine Islands.

Then the different articles that have been passed over were agreed to, and the last one was that "The civil rights and polit-

cal status of the native inhabitants of the territories hereby ceded to the United States shall be determined by the Congress." What their civil and political condition shall be is to be determined by the Congress of the United States. The territory is already annexed.

We hear a great deal about forcible annexation of the Philippines. They are a part of American territory to-day, whether Spain ratifies the treaty or not. Supposing she does not, which she is quite likely not to do, in accordance with her whole history in reference to recognizing the independence of the South American Republics, she can refuse, and say to the world, "The United States in its great power robbed Spain of all her colonies, and we have no power nor means to prevent it." The territory that the United States has already taken would still be American territory, and the only question would be whether we have to pay Spain the $20.000.000.

The SPEAKER pro tempore. The time of the gentleman has expired.

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