WASHINGTON.

Opening of the Financial Debate in the House.

THE 3.65 BOND SCHEME

Kelley, Garfield and Butler on the National Debt.

Proposed Repeal of the Increase of the President's Salary.

POLITICAL REPENTANCE.

The Civil Rights Bill Undergoing Modification.

WASHINGTON, Dec. 8, 1874.

Mr. Kelley's Interconvertible Bond Scheme in the House—His Resolution to Secede from Party and President—The Democrats Passive.

In the House, having nothing better to do, they began to call the regular order, and in due course, though somewhat unexpectedly, Mr. Kelley's 3.65 interconvertible bonds project came up. Mr. Kelley and General Butler spoke in favor of it to a languid House, and General Garfield made a forcible speech in reply. Mr. Dawes also spoke, and the subject went over until to-morrow. There will probably be two days more of debate, and the vote promises to be very close. The bill was thrown out at the last session by 118 to 120 votes, and it is very uncertain as yet how it will stand this time; but it is not believed that the Kelley bill can pass the Senate. The discussion, therefore, would be of little importance but that it develops the spirit and temper of the House on the currency question. The Kelley bill is an extreme measure; no one expects it to be adopted, unless it is Mr. Kelley; but the strength it has shows that there is but little hope of sound currency legislation from this Congress. The democrats took no part and, indeed, no interest in the debate. They probably see that it would be an injury to their prospects if the republicans should unite upon a sound and not disastrous measure of currency reform at this session, for they see that the democrats would not dare to disturb such legislation in the next Congress, and that the country between now and the next election would arrange its affairs in accordance with any wise measure and have time to start on a new career of prosperity before the Presidential campaign. Hence the democrats are silent and willing to let the other side work out their own salvation or the reverse.

There is, however, very little hope that the republicans can agree upon and carry any sound financial policy. There is no sign of agreement; no sign even of a strong desire for an agreement. The Southern democrats, it is said, have mostly determined to stand by their New York or "hard money" platform; not that they believe much in it, for a good many of them wish to repeal the tax on State banks and start shinplasters of their own; but they comprehend that the only safety of their party is in coherence, and they acknowledge that power for the present lies in New York, with its majority for Tilden. As for Mr. Kelley, he declares that if he can find enough friends of "more greenbacks" anywhere to carry his measure he will cut adrift from President and party and appeal to the country. He would not be remarkable if he did not seem to be the only man just now whose convictions are strong enough to lead him to a positive policy. He has evidently in his eye the great part which Thaddeus Stevens played once in the House by dint of mere positive opinions.

Doings in the Senate—Repeal of the Increase of the President's Salary Proposed.

The day in Congress opened with a promise of extraordinary dulness. The Senate adjourned early, but before the adjournment Mr. Wright, of Iowa, who is not famous as a joker, introduced a bill providing that the next President shall receive but $25,000 per annum as compensation for his services to the people. Senator Wright is a republican, and democratic Senators wondered whether he gave up thus early the next Presidential election.

Modification of the Civil Rights Bill in Committee—Possibility of its Passage.

In the Judiciary Committee the Civil Rights bill was discussed, and the Chairman proposed to take up the Senate bill, amend it, and send it back to the Senate, where it is believed it will rest. The proposed amendments would leave out the school and cemetery provisions, but retain those concerning hotels. Unexpectedly, the discussion to-day showed that the bill, if the school and cemetery provisions are left out, may receive some Southern support, but it is believed by some people that the design of those who have the bill in charge is to so manage age as to have it defeated.

The Republican Senatorial Caucus.

The Senate republican caucus continued in session several hours this afternoon, principally engaged on the subject of the standing committees. Arkansas and Louisiana affairs were only incidentally referred to during the conference, it being evident that a formal discussion of them would show a wide and irreconcilable difference of opinion. In the Arkansas case the friends of Smith have been seeking Congressional action, and those of Garland operating against it. Several prominent Senators say if the Senate attempts to intermeddle with the affairs of Arkansas they will become as much confused as the parties to the gubernatorial controversy themselves are in that State. Besides, they do not see how Congressional action could benefit a State already peaceful, and they fail to perceive any reason for interfering in Arkansas when the condition of Louisiana, being of a scandalous character, has failed to secure Congressional action. Ex-Governor Baxter arrived here to-night.

Increase of Granges Throughout the Country.

The whole number of granges reported this month in the United States is 21,472, an increase of 364 during November. New York is said to have 266 granges.

Vice President Wilson's Duties and His Health.

Vice President Wilson will preside in the Senate during a considerable part of the session. His health has greatly improved. It is probable that Mr. Carpenter will be selected to preside during his absence.

Mr. Schell Mentally Distressed About His Salary.

The Hon. Richard Schell has been in a state of anxiety about his salary. He was told that the House had given the salary for the whole session to the widow of Mr. Mellish, his predecessor, which is true, and he imagined for a time that his constituents had committed a fraud upon him. He was greatly relieved when he was told, after being for a time in a distressed state of mind, that the Sergeant-at-Arms would provide for him.

Impeachment of a Congressman.

The Hon. J. P. Brady, member of the Virginia House of Delegates, arrived here to-day with charges that Representative Stowell, of that State, sold a cadetship in the navy. They will to-morrow be presented to the House of Representatives.

Contemplated Reduction of the Treasury Service.

The Secretary of the Treasury has taken the initiative in giving personal examination in the steps taken for a further reduction in the expenses of collecting the revenue from customs, and is making a thorough examination of the force employed and the actual duties discharged by all persons in the customs service. It already appears that there will be a saving under the contemplated reduction of probably half a million in the expenses of collecting the customs revenues during the current fiscal year.

The American Demand Upon Spain for Indemnity.

An error of the types made the HERALD report to-day that the indemnity demanded of Spain was $25,000 per man of those massacred at Santiago. It should have been $2,500.

A Retiring Associate Chief Justice of the United States.

Judge Swayne, of the United States Supreme Court, reached his seventieth year yesterday. He is therefore entitled, under the law, to retire from the Bench on full pay. He intends to do so, but has not yet fixed the time.

Regulations Regarding Newspaper Postage.

The portion of the recent Post Office regulations for the prepayment of postage on newspapers and periodicals relative to county papers has been modified as follows:—Newspapers, without regard to the frequency of issue, one copy to each subscriber actually for the time being residing in the county where the same are printed, are entitled to pass free of postage through the mails; but the rate of postage on the same, excepting weeklies, when deposited in a letter carrier's office for delivery by the office or its carriers, shall be uniform at one cent each; weeklies, when sent through the mails to or deposited in a letter carrier's office in the county where printed, shall be weighed in bulk and be subject to a postage of two cents per pound, to be prepaid at the mailing office by special adhesive stamps.

Privileges Granted to Norse Steamers in Our Waters.

Two years ago the Minister from Sweden and Norway addressed a note to the Secretary of State, the object of which was to ask, in favor of a line of steamers plying between Norway and New York, the same exemption from payment in this country of tonnage, anchorage, beaconage and lighthouse dues that have been granted to Belgian steamers by virtue of treaty obligations. Recently the Minister was informed that the Treasury Department, after mature consideration, admitted the claim made on behalf of the Norse line of steamers, and had issued proper instructions in the premises, adding that this decision of the Secretary of the Treasury rests upon the theory and involves the proposition that, in case a line of steamers should be established in the future and during the continuance of the treaty, being vessels of the United States engaged in regular navigation between the ports of the United States and Sweden and Norway, the government of Sweden and Norway will extend to such vessels the same exemption from payment of such duties as the vessels of Sweden and Norway may enjoy in the United States.

The Pacific Mail Contract and the Postal Department.

The House to-day, at the instance of Representative Tyner, a member of the Committee on Appropriations, ordered to be printed the opinion of the Attorney General, addressed to the Postmaster General, that the contract with the Pacific Mail Company is still obligatory on the depart-

PROCEEDINGS IN CONGRESS.

SENATE.

WASHINGTON, Dec. 8, 1874.

The Senate met at noon to-day.

The journal of yesterday's proceedings having been read, Mr. LOGAN, (rep.) of Ill., presented a memorial of various publishers, asking a change of the postal laws. Laid on the table to be referred hereafter.

PROPOSED MEASURES.

The following bills were introduced and ordered to be printed and lie upon the table till the appointment of committees:—

By Mr. EDMUNDS, (rep.) of Vt.—A bill to enable the Supreme Court of the District of Columbia to proceed with its jury business.

By Mr. CHANDLER, (rep.) of Mich.—A bill amendatory of section 10 of the act of June 30, 1864, imposing taxes upon the circulation of other than national banks.

By Mr. CAMERON, (rep.) of Pa.—A bill to promote economy and efficiency in the Marine Hospital service.

By Mr. SARGENT, (rep.) of Cal.—A bill fixing the time for holding the Circuit Courts of the United States for the districts of California, Oregon and Nevada.

By Mr. HARVEY, (rep.) of Kan.—A bill for the relief of homestead and pre-emption settlers on the public lands.

Also a bill for the relief of First Lieutenant Henry Jackson, of the Seventh cavalry, United States Army.

By Mr. WRIGHT, (rep.) of Iowa.—A bill fixing the salary of the President of the United States

By Mr. WEST, (rep.) of La.—A bill providing for the construction of United States government telegraph lines between the cities of Washington and Boston, Mass.

By Mr. SPENCER, (rep.) of Ala.—A bill to provide for the transfer of certain causes from the District to the Circuit Court in the State of Alabama.

Mr. DAVIS, (dem.) of W. Va., submitted a resolution requesting the President to transmit to the Senate a detailed statement from June 30, 1865, to the end of the last fiscal year, showing the names of postmasters, paymasters, collectors of internal revenue and customs officers of the Freedman's Bureau and others from whom money is due and unpaid, the amount of such indebtedness and names of the sureties of such officers, by whom such officers were appointed, and the States from which they were appointed; also requesting the President to report the number of acres of public lands granted to railroad companies, canals, or other works of internal improvement.

Ordered to be printed and lie on the table.

Mr. DAVIS gave notice that he would call up the resolution for action at an early day.

Mr. PRATT, (rep.) of Ind., introduced a bill to regulate the lien of judgments in the courts of the United States upon real estate. Ordered to be printed and to be referred hereafter.

Mr. SCOTT, (rep.) of Pa., presented a memorial of J. B. Lippincott & Co., A. S. Menamin and T. S. Arthur, of Philadelphia, praying that the postage upon periodicals be fixed at two cents per pound; that prepayment by fractional stamps or stamped wrappers, when desired, be authorized, and that the rate of transient matter sent from the office of publication be fixed at two cents per pound. Laid on the table to be referred hereafter.

Mr. HARVEY, of Kansas, presented a memorial signed by 325 citizens of that State, asking the passage of House bill No. 3,381 of last session, amendatory of the Pacific Railroad bill. Laid on the table to be referred hereafter.

Mr. SHERMAN, (rep.) of Ohio, said there was a bill pending between the two houses of Congress—an act to amend the existing customs and internal revenue laws—upon a motion made by him at the last session to postpone it until yesterday. The committee of conference had been appointed by the two houses and agreed on a report, but the House disagreed to the report of the committee. Upon examining the rules of the Senate he was at a loss to know whether, under the circumstances, it could be taken up now or must be postponed till next Monday. Upon that question he desired to have the judgment of the Chair. It would expedite public business and give the Senate better time to examine the details of the bill, in a new committee of conference, to have such committee now appointed, but he did not know if he could move to take up the bill now, under the rule. He thought it did not fall within the rule which makes bills pending between the two houses in order at the end of six days from the beginning of the session.

The CHAIR (Mr. Wilson) replied that it would not be in order to take up the bill now.

Mr. SHERMAN then gave notice that he would call it up next Monday.

The Senate then, at half-past twelve o'clock, on motion of Mr. SHERMAN, adjourned till twelve o'clock to-morrow.

IMPORTANT BILLS.

Mr. Chandler's bill, amendatory of section 10 of the National Currency act of 1864, and section 9 of the act of July 13, 1866, provides that they shall not be construed either in pending cases or otherwise to apply to the evidences of actual indebtedness issued by any mining, manufacturing or other corporation, or by individuals except banks or bankers prior to the enactment of this bill, but shall apply to such evidence of indebtedness issued thereafter upon positive proof of their being calculated and intended to circulate as money.

Mr. Wright's bill proposes to reduce the salary of the President after this term to $25,000.

Mr. Harvey's bill provides that homestead and pre-emption settlers, whose crops have been seriously injured this year by the grasshoppers, may be absent from their lands until June 1, 1875, without forfeiture of their existing rights.

Mr. West's bill directs the Postmaster General without delay to construct a line of telegraph from Washington to Boston, via Baltimore, Philadelphia, New York and Hartford, to be operated in the Post Office of these cities by appointees of the Postmaster General, under such regulations and at such rates of tariff as he may prescribe, provided that the rates shall be uniform to all persons, with such uniform reduction to the newspaper press as may be deemed advisable, and provided the rates shall be adjusted to meet and not exceed the expenses of operating and maintaining the said line, and providing a net income equal to five per cent interest on the original cost of the same. The bill proposes to appropriate $600,000 for the foregoing purposes.

HOUSE OF REPRESENTATIVES.

WASHINGTON, Dec. 8, 1874.

After the reading of the journal the Speaker proceeded to the call of committees for reports, under which call Mr. POLAND, (rep.) of Vt., from the Special Committee on the Arkansas Troubles, presented a report of the testimony taken during the vacation of Congress. Ordered to be printed.

Mr. HALE, (rep.) of Me., from the Committee on Appropriations, reported a bill to continue the Board of Audit to examine and audit the unfunded or floating debt of the District of Columbia. After some discussion the matter was postponed till to-morrow.

Mr. DURHAM, (dem.) of Ky., from the Committee on Banking and Currency, reported a bill reducing the allowances to bank examiners and fixing the rates as follows:—For examining banks with capital not exceeding $100,000, $20; with capital of $100,000 and not exceeding $200,000, $25; with capital of $200,000 and not exceeding $300,000, $30; with capital of $300,000 and not exceeding $400,000, $35; with capital of $400,000 and not exceeding $500,000, $40; with capital of $500,000 and not exceeding $600,000, $50; with capital of $600,000 and over, $75.

After explanation from Mr. Durham, the bill was passed.

Mr. MAYNARD, (rep.) of Tenn., Chairman of the Committee on Banking and Currency, reported a bill to amend the National Banking act in the matter of proceedings in liquidation. After some discussion the bill was, at the suggestion of Mr. Niblack, of Indiana, recommitted with leave to report at any time.

THE OMAHA RAILROAD BRIDGE.

Mr. HOUGHTON, (rep.) of Cal., from the Committee on the Pacific Railroad, reported a bill providing that the railroad bridge at Omaha and the approaches on each side of the river, shall be operated as a part of the continuous line of the Union Pacific Railroad, and requiring half yearly reports to be made of the monthly receipts of tolls and charges for the use of the bridge.

Mr. COX, (dem.) of N. Y., suggested that the provisions of the bill were matters of litigation to be decided by the courts, and not by Congress.

Mr. HOUGHTON said that the bill was not designed to affect any existing litigation. Its purpose simply was to compel the Union Pacific Railroad Company to operate its line of road throughout its entire length as one continuous line, and not to make two transfers at the Missouri River at Omaha. He explained that the bridge has been operated as an independent thing, under the name of the Transfer Company, and that all through business on that line is subject to a separate and independent charge for crossing the river. Freight cars loaded or unloaded have to pay $10 each, and passengers fifty cents each for crossing the river, besides the annoyance to which passengers are subjected in having to change cars twice at this point, and having to get their baggage rechecked. He insisted that the bridge was as much a part of the line of the Union Pacific Railroad as any mile of road between its two terminii.

Mr. HALE, (rep.) of N. Y., asked who were the nominal owners of the bridge.

Mr. HOUGHTON replied that the bridge was owned by the Union Pacific Railroad Company; that the bonds issued for the construction of the bridge were issued by the Union Pacific Railroad Company, and that all the property of that company is liable for the payment of these bonds. Since the bridge was built it had been operated exclusively by the Union Pacific Railroad Company, though under the pretence of an independent organization, called a Transfer Company. No such organization, however, existed in fact, but merely in name. The reason of this was that the Union Pacific Railroad Company had entered into a contract with the city of Omaha by which the company had received a large subsidy from the city in consideration of making its terminus there.

The morning hour having expired the bill went over without action.

BILLS WERE INTRODUCED

and referred to committees as follows:—

By Mr. MCCRARY, (rep.) of Iowa.—For the relief of certain settlers on the public lands in Iowa, Minnesota, Nebraska and Kansas.

Also for the extinguishment of the Indian title to the Black Hills Reservation in Dakota.

By Mr. BUTLER, (rep.) of Mass.—To provide judicial remedies for overcharges of duties on tonnage and imports.

By Mr. WOOD, (dem.) of N. Y.—Fixing rates of duties on imported merchandise.

Whereas by an act approved June 22, 1874, entitled "An act to revise and consolidate the statutes of the United States in force on the 1st day of December, A. D. 1873," it was not the intention of Congress to vary or modify the rates of duty on imported merchandise exacted or imposed by the laws in force on said 1st day of December; and whereas if such changes or alterations have been made, either by the aforesaid act of June 22, 1874, or by the execution of said act by the proper officers of the Treasury, they are in violation of the intention of Congress in the premises; therefore,

Resolved, That no higher or other rates of duty shall be levied on any goods, wares or merchandise imported into the United States from and after the passage of this act than would have been levied thereon under the subsisting decisions and practice of the Secretary of the Treasury interpreting and enforcing the laws in force on the 1st day of December, 1873, had the same been imported on the said 1st day of December.

By Mr. HUBBELL, (rep.) of Mich.—To amend that section of the National Banking act which imposes a tax on the circulation of other than national banks.

By Mr. LUTTRELL, (dem.) of Cal.—For appropriations to improve the navigation of the Sacramento River, of Petaluma Creek and of Feather River, California.

By Mr. HOLMAN, (dem.) of Ind.—To substitute United States notes for the issues of national banks.

By Mr. DAWES, (rep.) of Mass (at request)—Declaring the effect of permits to purchase products of the insurrectionary States granted by the President during the rebellion.

By Mr. PHILLIPS, (rep.) of Kansas—For the relief of pre-emption and other settlers in Kansas.

By Mr. YOUNG, (dem.) of Ga.—For the payment of all accounts for services rendered to the government in the postal service prior to April, 1861.

A CHECK ON COUNSEL FEES.

By Mr. BECK, (dem.) of Ky.—To prohibit Senators, Representatives and Delegates in Congress from acting as counsel or otherwise in suits or proceedings against the United States. He moved its reference to the Committee of Ways and Means.

Mr. BUTLER, of Massachusetts, suggested that the Judiciary Committee was the proper reference.

Mr. BECK said that the bill pertained to revenue cases, and he instanced the employment of a New York Senator in the tax case of the New York Central Railroad Company.

Mr. BUTLER remarked that he had no personal interest in the bill, as he was generally on the side of the United States.

Mr. RANDALL, (dem.) of Pa., suggested that the bill belonged to the whole House, and that it should not be referred to any committee.

MR. BUTLER—It belongs to the whole House after it has come from a committee.

Mr. RANDALL—I move that the House now proceed to the consideration of the bill.

The SPEAKER—That requires unanimous consent.

There was no objection, and the bill, having been amended at the suggestion of Mr. G. F. Hoar by omitting from the penalty a provision for disqualification for holding office, was passed without objection.

The bill is as follows:—

That no Senator, Representative or Delegate to Congress shall, after his election or during his continuance in office, act as agent, attorney, proctor, advocate, solicitor or counsel for any person against whom suits or proceedings other than criminal have been or are about to be commenced for violation of the Revenue laws, or who has any claim for drawbacks or reclamations for duties, taxes or excises paid or demanded for the United States, or any agent, employe, informer, officer or officers of the Revenue or Customs service of the United States, in any suit or proceeding relative to the customs dues, excises or taxes; nor shall he receive any compensation, gift or reward from such persons or officers for any service, advice, counsel or aid afforded such person or persons, officer or officers, agent, informer or employe, and any person offending against this provision shall, on conviction thereof, be deemed guilty of a misdemeanor and be punished by fine not exceeding $5,000 and imprisonment for a term not exceeding ten years, at the discretion of the Court trying the same; and any person who shall pay or cause to be paid to any Senator, Representative or Delegate, or to any person for his use or benefit, directly or indirectly, any sum of money or other thing of value because of such services or advice relative to any of the matters aforesaid, shall have a right at any time to bring suit for the recovery thereof or its value in any court of the United States against such Senator, Representative or Delegate or the person or persons who received the same, or may unite all such persons in the same suit.

OTHER BILLS.

Bills were also introduced and referred, as follows:—

By Mr. MYERS, (rep.) of Pa.—To restore the duty of ten per cent on certain manufactures of cotton, wood, iron, paper, glass, leather, &c.

By Mr. KELLOGG, (rep.) of Conn.—For the improvement of the harbors of Saybrook and New Haven, Conn.

By Mr. CROUNSE, of Nebraska—For an additional Representative from the State of Nebraska.

By Mr. MCCORMICK, (rep.) of Arizona—For a penitentiary building in Arizona.

By Mr. E. H. ROBERTS, (rep.) of N. Y.—Proposing amendments to the constitution, providing that Congress shall not make anything but gold and silver coin a tender in payment of individual debts, and that Congress shall pass no law impairing the obligation of contracts.

By Mr. ALBRIGHT, (rep.) of Pa., authorizing the promotion of the senior three assistant surgeons of the army.

By Mr. MERRIAM, (rep.) of N. Y., for free banking.

By Mr. LAWRENCE, (rep.) of Ohio, limiting to six years the time for the allowance of claims against the United States.

By Mr. PAGE, (rep.) of Cal., in reference to the distillation of brandy from apples, peaches and grapes.

Also instructing the Committee on Foreign Affairs to inquire whether any legislation or government action is necessary to prevent the immigration or importation of coolies under contract for servile labor and of Chinese women for the purpose of prostitution.

By Mr. PARKER, (rep.) of Mo., to enable Indians in certain cases to enter land under the homestead laws.

Also to punish the obstruction of mail trains; also fixing the rate of taxation on State banks.

By Mr. SPRAGUE, (rep.) of Ohio—To arrange the graduates of the Naval Academy.

By Mr. HOUGHTON, (rep.) of Cal.—Amendatory of the Pacific Railroad acts; also to confirm to the city of San Jose, Cal., the title to certain lands.

By Mr. HEREFORD, (dem.) of W. Va.—For the improvement of the Kanawha River.

By Mr. NESMITH, (dem.) of Oregon.—For the manufacture of breech-loading muskets and carbines.

By Mr. COBURN, (rep.) of Ind.—To increase the efficiency of the medical department of the army.

By Mr. TOWNSEND, (rep.) of Pa.—To repeal the acts requiring stamps on bank checks, &c.; also authorizing the President to correspond with foreign nations concerning the establishment of a system of international arbitration.

By Mr. WHITE, (rep.) of Ala.—To regulate elections in certain Southern States; also to amend the act to enforce the rights of citizens to vote.

By Mr. CLAYTON, (rep.) of Cal.—To make further provision for the arrest, detention and delivery of domestic fugitives from justice.

By Mr. RANDALL, (dem.) of Pa.—Repealing the increase of the President's salary.

By Mr. SMALL, (rep.) of N. H.—To reduce the President's salary.

Mr. LAWRENCE, (rep.) of Ohio, offered a resolution calling on the Secretaries of the Treasury and War departments for information as to the claim of Sugg, Fort, of Robinson county, Tenn., for commissaries, stores, &c., on what evidence it was allowed, &c. Adopted.

MR. KELLEY'S BOND SCHEME.

The House then went into Committee of the Whole on the general calendar, and, after laying aside several bills without action, it took up the bill of which Mr. Kelley, (rep.) of Pa., is the author, for the exchange of greenbacks into 3.65 convertible bonds.

Mr. KELLEY proceeded to address the House in support of the bill. He said that it proposed that when any individual had any money lying idle for which he had no present use he might lend it to the government at the rate of 3.65 per cent, recalling it as he might do from a savings bank when the time came for the use of the money. He claimed that the government would thus get about $500,000,000 at that low rate of interest with which to redeem the gold bearing bonds now held abroad; that it would relieve the government of its foreign debt; that it would give increased value to the greenbacks, diminish the demand for gold, and thereby remove the disparity between them and gold. It would quicken every industry and restore confidence to the people.

BUTLER ON THE FINANCES.

After speaking for twenty-five minutes Mr. Kelley yielded to Mr. BUTLER, of Massachusetts, who advocated the bill and claimed that it was in accord with the position which he had held on the subject for many years. It was simply a proposition to allow citizens to come to the government and say, "We have taken your money, and we desire that you will at least pay us interest on it so long as you have it." Any one could borrow in New York, at three per cent on call, as many millions as he chose to deposit collaterals for; but if he wanted money as a business loan he could not borrow it on commercial paper at less than seven, eight, nine or ten per cent. And why? Because it was understood that Congress and the Executive were determined to contract the currency until specie payment was reached; but specie payment there never had been and never would be. It was always a delusion. But specie values they would come to, and they would be come to all the sooner if this bill were passed. The country was coming to specie values, every interest in it, except that of invested capital. Real estate had been brought down in New York thirty-three per cent, in Massachusetts twenty-five per cent and in Chicago thirty-three per cent. But invested capital never came down—not a dollar. The country was eaten up by interest. Why was it that seven, eight, nine, ten and fifteen per cent was now paid for the use of money? It was because of the high rate of interest paid by the government. It was axiomatic in finance that government securities were always at the lowest rate of interest when the government was at peace and when everybody had confidence in its ability to pay its obligations. The government of the United States was a borrower to the amount of £2,300,000,000 at the rate of five and six per cent. The next best security was town and county bonds, and they had to pay six and seven per cent. The next best security, railroad bonds, had to pay seven and eight per cent, and when business and the risks of business came to be considered the borrower had to pay eight and nine per cent in Massachusetts, and ten, twelve, fifteen and twenty per cent in the business centres of the West. Therefore he wanted the government to come into the market as a borrower at a low rate of interest, then the next range would be nearer to it, and so on, until all the rates of interest came down. He proceeded to analyze the causes of the various financial panics in this country and to show that they arose from the failure in each instance of a trust company. And why had the trust companies failed? Because they were borrowers on call. They borrowed money at four per cent on call and had to lend it out at higher rates, and when the call was made upon them they could not call in their own loans fast enough, and they failed and all confidence was lost. Every business man knew that he was working over a volcano. If the servant girls of Massachusetts were to call in their wages that they have deposited in the banks every business man in Massachusetts would be broken. They could not stand the pressure one day. Whenever the servant girls made that call, that moment the whole business of the country is dishonored. Would not every man rather have a 3.65 bond from the government than give his money to trust companies at four per cent?

EVILS OF A FOREIGN DEBT.

The terrible effects of a foreign debt are just now being felt. We owe in railroad and other debts about $150,000,000 of interest, to be paid every year abroad in gold. Where is that coming from? Not from the earth by gold producing, because we only produce sixty odd millions a year. It must be paid in some other form. How has it been paid hitherto? By selling more bonds, but now that source is stopped, and that is why the whole wheels of business are stopped. Let us learn a little from history. Half a century ago Ireland was prosperous as no other green island on earth; full of manufactures, full of productions, and, what is the greatest evidence of prosperity, producing a population in a greater degree than any other country. She had then 8,000,000 of people, who were happy, prosperous, living at home and all in comparative comfort. But in an evil day it became fashionable—her government being removed from her soil—for the owners of her land to live abroad. Thus came Irish absenteeism, and what does that mean? It means that the land owners who took the rents of their property spent all the money abroad and nothing came back. The effect of Irish absenteeism was that in a single generation that country was depopulated from 8,000,000 to 4,000,000, after going through starvation such as will be in New York and Pennsylvania this winter, if not in Massachusetts. All the Irish estates, pretty much, have gone through bankruptcy in the Encumbered Estates Court. And what produced that? All writers on political economy agree that it was absenteeism. It was only because there was collected from that country £2,500,000 sterling ($12,500,000) every year, which was spent abroad. We have no landlords living abroad except the enriched bankers and capitalists, who go abroad to bring their trunks home. (Laughter.) But we have our landlords in the shape of the bondholders abroad, to whom we must pay every year $150,000,000 of interest. The amount paid by Ireland was only $1 50 per head of the population. The amount paid by us is $3 50 a head. I think that with our resources we can stand it, but we cannot stand it with every mill idle, with every ship tied up at the wharf, with transportation brought to such conditions that it takes four bushels of corn to get one from Iowa to the seaboard, for the bushel of corn which cost twenty cents in Iowa costs $1 20 when I feed it to my horse on the shores of the Atlantic. Here we are in that condition of things and we simply ask, what? Not to expand the currency, not to inflate the currency, not to repudiate any obligation, but that the government shall say to the poor man and to all men, "Whenever you do not want to use your money we will give you 3.65 per cent interest for it, and when you can do any better with it you can withdraw it." There is in that no danger of any shock to the business of the country. I observed that many men representing national banks on this floor voted against this proposition when it was last before the House, because, I agree, that it would cut into the deposits of national banks. I do not mean into their paper deposits, which are the result of discounts, but into their actual deposits. My friend from Pennsylvania (Mr. Kelley), however, has made a provision—compensation—for allowing these bonds to be kept in the vaults of the national banks as reserve; for they are just as good as greenbacks, and so much better, as they bear interest. When he was doing that, gentlemen here said to me, "What advantage will that be to the government to have to pay interest on the reserves of the banks?" The advantage will be this: In order to do that the banks will have to put greenbacks into the hands of the government, and with these greenbacks the government can buy gold or purchase bonds now out at five or six per cent, thus bringing down the rate of interest, and the people being the gainers all round.

RESPONSIBILITY OF PARTIES.

It is these ideas that have impelled me to this course, steadily, unwaveringly and undinchingly. I know that the proposition is not popular in any section of the country. I am aware that I stood alone against all New England in voting for this proposition when it was up before, and I was told that I should never come back here. I did not much doubt that, but I thought, in my own mind, "I shall not stay at home alone." (Laughter.) The republican party is held responsible for the distress that has been brought upon the country. We have become a party of invested capital, a party of bondholders and monopolists. The republican party attracted the true men of the country when it started, because it started by bringing up labor. It commenced at the lowest stratum, the slave, and raised him to citizenship. But war and the necessities of the government brought to the party the capitalists of the country and at last, when the war was over, we had a party at the head of which were the capitalists and at the foot the negroes, with not much affiliation between them. (Laughter on the part of democrats.) There is no occasion for your laughter, as the democratic party is in very much the same condition. The old whig party leaders, the capitalists of that party, who would not come into the republican party because they would not go for bringing up the laboring men, finding nowhere else to go, went over and became leaders in the democratic party and so that is a party now with old whig bondholders for its head and Irishmen for its tail (laughter), and there is very little affiliation between head and tail either. We have got into this abnormal condition of things and the republican party has got for the last time the opportunity to relieve the country from its distress, to recover its confidence and to show that the people are the objects of its care. If we fail now we fail forever, because a party once inaugurated lasts for a generation and that is, to all of us here, forever. I have now, Mr. Speaker, given you succinctly, not elaborating them at all, my views. The best evidence I can offer of their sincerity and of the deep conviction with which they are imprinted on my mind is that I have ventured to hold them in my own section, where they are unpopular, and ventured to do so to my own injury in the view of those who think that political life is all that there is in the world.

At the close of Mr. Butler's speech Mr. KELLEY, of Pennsylvania, offered a substitute for the second section of the bill providing that the Secretary of the Treasury shall invest seventy-five per cent of the United States notes received in exchange of such convertible bonds in the purchase or redemption of any bonds outstanding at the time of the passage of the act, or in the purchase of gold with which to redeem such bonds.

MR. GARFIELD'S SPEECH.

Mr. GARFIELD, (rep.) of Ohio, Chairman of the Committee on Appropriations, thought it idle to attempt to discuss the bill until it was printed, so that members could examine it in detail. But he felt bound to say a few words by way of protest against the doctrines put forth by the advocates of the bill. The gentlemen who have spoken believe that a measure of this kind is for the good of the country. I believe this bill is fraught with measureless evils to every great and good interest of the people of these United States; not to the government alone, but to the government, the capitalist, and, most of all, to the laboring interests. The gentleman from Massachusetts (Mr. Butler) says truly that a man can borrow millions on millions in New York to-day if he wants to borrow it on call, but that, if he offer commercial paper and desire money for six or eight or ten or twelve months, he cannot get it except at a large rate of interest. And then the gentleman gave a reason, which, to me, is the most amazing reason that could be given. The reason why money cannot be so borrowed, he says, is that capitalists who have money in their hands will not lend it for nine or ten months ahead for fear the legislation of Congress will make that money better at the time it is to be paid back to them. Now, who ever heard a reason like that given for anything in the world? I can understand that precisely the reverse is the reason of the money lender. He declines to put his money out of his hands for a number of months because of his fear of just such measures as this, tending to depreciate the value of his money and to provide that it shall come back into his hands worth far less than when it left him. The gentleman says that in his State and all the States the business of the country slumbers on a volcano because, for example, the $200,000,000 in the savings banks of Massachusetts are invested there on call, and, he says, that should even the servant girls of that State at once make a demand for their deposits the business of the State would collapse. Now, if I understand the nature and effect of this bill, it is to put the entire finances of the United States in just such a position as that in which the gentleman pictures the affairs of his own State; to say that all the great obligations which this government owes shall be obligations on call; to say that there may be a rush, not of servant girls alone, but of all the speculators in the land, to demand either more greenbacks for bonds delivered or more bonds for greenbacks delivered. Of course all the great volumes of money which New York capitalists hold to-day and are willing to lend at two per cent on call, as the gentleman says, would be lent to the government at 3.65 per cent during the times when it was not required for more profitable uses.

Mr. KELLEY—Would the government be injured by receiving at 3.65 per cent, paper interest, and redeeming six per cent gold bonds with it?

Mr. GARFIELD—With the prospect of being called on the next week to use more than what they got for it in redeeming it when it was presented to them to get currency again. This is a proposition to the effect that, if there be a lull in business in the United States, so that a few millions or a hundred millions may be lying idle at any time, the Treasury of the United States shall take that and give the capitalists interest on it. But the moment that the capitalist finds a more profitable use for his money in speculation he comes to the Treasury and says, "Give me my money now; I have not needed it while you have had it, and you have paid me interest upon it; but now that I can speculate with it at a higher rate give it back to me."

Mr. KELLEY—Why do not the owners of the $60,000,000 which lie dead in your Treasury draw them out? They stand there a perpetual refutation of that argument.

Mr. GARFIELD—If the gentleman pursues a policy which demoralizes gold and makes it a mere commodity, I do not wonder that men who have gold are willing to let the Treasury keep it for them; but let gold be made money—the money of the constitution—and they will soon withdraw it.

Mr. KELLEY—It is not $60,000,000 of gold, but of greenbacks.

Mr. GARFIELD—I have but a few words more to say. We have been going through a great struggle, that began when the war broke out and has not yet ended. We passed from the level of peace up to the turbulent and stormy heights of war, and as a dire necessity, not as a matter of statesmanship for peace, but as a terrible and fell necessity of war, we issued $350,000,000 of paper as a forced loan, with the full purpose of all thoughtful statesmen of that time to take it up at the earliest possible moment and restore the government to the money standard of the constitution. We went up booming in those days of increase and inflation, and as in such times all business is easy, so, when we attempted to return we found it very hard. We have been coming down through great tribulations, distress and panic and hard times, for all mark out the pathway downward toward solid values. The gentleman from Massachusetts (Mr. Butler) says there has been twenty-five per cent of shrinkage in Massachusetts and thirty-three per cent in New York. There has been great shrinkage everywhere, and now, when we are almost down to solid ground and honest values, the proposition of these gentlemen is that we cut loose forever. I say forever in the sense the gentleman from Massachusetts (Mr. Butler) used it—from the old traditional values of our money—and go off floating, ballooning, flying, with no hope of return forevermore. I should feel myself base if I did not protest to the extent of all my power against any scheme that proposes to send this country back again into the clouds and darkness by which we have come in our financial affairs. If there was ever a time when American statesmanship needed courage and self-denial—that self-denial that shall reduce, reduce, reduce expenditure and expansion, and resist all schemes that would help to keep us from solid values, honest industries and honest results—that time is now. In my judgment this country owes a debt of gratitude to the President and the Secretary of the Treasury for their utterance on that subject, and I believe they will receive the thanks of the better and more thoughtful classes of the people in this country without distinction of party. I trust that we shall not mistake effects for causes. I am amazed at gentlemen who say that the cause of our disaster is a lack of currency, and that more currency is the remedy. On the contrary, it is clear to me that one of the prime causes of our disaster has been our unsettled, unsteady, fluctuating values, and that the remedy for it all is to reach solid ground.

Mr. DAWES, (rep.) of Mass., chairman of the Committee of Ways and Means, remarked that, upon his motion, the House had gone into committee, not for the purpose of precipitating this debate upon the country, but for the purpose of addressing itself to current business. Yet, said he, I do not know that I regret that we have come at once upon the subject which rises above all others in importance, and presses itself more than any other for a solution upon the consideration of this Congress. I shall myself, so far as I can, endeavor to urge upon the House the consideration of this question until they announce to the country some settled policy upon it; and I desire, therefore, to ask the committee to rise now and to permit us on the morrow, if it be convenient, to renew this debate, not simply for the purpose of indulging in debate, in general platitudes or enunciations of principles, but for the purpose of applying ourselves to the solution of this whole question. The government of the United States has $382,000,000 of its promises afloat in the land. No other nation has the like. This nation in no other hour of its history was ever in this situation. The difficulties that beset labor and capital arise solely from the depreciation of this $382,000,000 of promises. They are the promises of the government. They are below par. That measure, and that measure alone, will bring the relief to this country which will make them on a par with the money of the civilized world. We need not address ourselves to any collateral issue nor discuss any other elemental principles. What policy is it that will make these promises equal to the money of the world? They are the promises of the government. It is the government that has depreciated its own promises. It is incumbent on the government Representatives here to provide that the government shall make up to those whom they have forced to take this depreciated paper the difference between it and gold. No other measure will be tolerated by the civilized world, or will bring relief to the distress of labor, the stagnation of capital, the disturbance of values—these being all our woes.

Mr. COX, of New York, deprecated the renewal of this financial discussion as necessarily fruitless. We know, said he, that no results will flow from it except those fluctuations in business which are sure to follow such Congressional agitation