

FORTY-NINTH CONGRESS.

Senate.

WASHINGTON, Feb. 25.—Among the bills reported from committees and placed on the calendar, were the following:

House bills to annex a portion of the Territory of Idaho to Washington Territory; granting a right of way to the Denver & Rio Grande Railway through the Fort Crawford Military Reservation; to repeal certain provisions of the act relating to the purchase of arms for the use of States.

The resolution offered yesterday by Edmunds, electing Ingalls President pro tem. of the Senate, to take effect to-morrow afternoon, at which time the resignation of Sherman takes effect, was placed before the Senate.

Cockrell moved to amend by substituting the name of

SENATOR HARRIS.

The amendment was rejected, yeas 26, nays 29. A strict party vote, Riddleberger voting with the Republicans.

The resolution offered yesterday by Senator Hoar, but not then read, declaring it as the judgment of the Senate that under the present circumstances no investigation should be undertaken with Great Britain regarding the existing difficulties with the Canadian provinces, having for its object the change or abolition of any of the existing duties on imports, was taken up.

Mr. Butler moved its reference to the committee on foreign relations.

Morrill, chairman of the finance committee, denied the power of the President, even with the aid of the Senate, to negotiate a

RECIPROCITY TREATY.

If that could be done with one nation it could be done with all, and thereby the power of the House of Representatives over the tariff matter would be usurped.

Hoar said there were a good many persons who supposed that the existing difficulties with Canada were occasioned by a desire on the part of Americans to intrude themselves on Canadian waters for the purpose of obtaining fish. There was no such desire. The difficulties were created for the purpose of compelling the opening of United States markets to Canadian fishermen. Within the last few days there had been an election in Canada which had resulted in the support of the Premier, Sir John McDonald, and the Premier had declared in a speech made since the election that its significance was a declaration of confidence in his policy, and that his policy was to compel the United States to open up their markets, and that that result would be accomplished. He did not believe there was a single senator on either side of the chamber, whether he be for

FREE TRADE

or for protection, who would not indignantly spurn the notion that the United States would change, alter, repeal or modify in any way by a hair's breadth its domestic legislation on the subject of duties or imports as a means of settling a controversy growing out of such a threat as a means of buying peace for American fishermen or respect for the American flag in foreign waters.

The object of his resolution was to say that at this time and under the present circumstances the Senate of the United States would never give its advice or assent to any change whatever in the domestic relations of the United States on the subject of duties and imports. He had no objection to the reference of the resolution to the finance committee.

The resolution was so referred.

Aldrich offered a resolution (which was adopted) directing the Secretary of the Treasury to report under what authority distilled spirits, bonded for exportation, was permitted to be withdrawn for consumption without charge or penalty or interest being collected thereon; also under what authority

DISTILLED SPIRITS

which had been sent out of the country for storage abroad were permitted to be returned as re-imported goods.

The resolution offered by Mr. Van Wyck yesterday, proposing a constitutional amendment for the election of senators by the direct vote of the people, was taken up, and Van Wyck addressed the Senate in favor of it.

The conference report on the bill for a branch home for disabled volunteer soldiers, west of the Rocky Mountains, was agreed to. The name of William Blodgett is substituted for that of James A. Waymire as superintendent.

The Senate then resumed consideration of the pleuro-pneumonia bill, the pending question being on the amendment offered yesterday by Vest, requiring the assent of the authorities of the state before the

CATTLE COMMISSION

can operate therein. Rejected—yeas 27, nays 31.

Mr. Edmunds then offered a substitute for the bill, "A bill appropriating one million dollars, to be expended under the direction of the President of the United States in his discretion and through the commissioner of agriculture, to aid the proper authorities of the several states in preventing the spread of the disease commonly known as pleuro-pneumonia among cattle. The appropriation to expire at the end of two years."

After debate Edmunds' substitute was agreed to—yeas 34, nays 27.

Van Wyck offered an amendment to make the bill apply also to swine plague, hog cholera and other contagious diseases among swine.

He made an argument in support of the amendment, which he regarded as really of greater importance to the people west than the

ORIGINAL BILL,

which he said was got up more in the interest of the east than the west.

Miller replied to Van Wyck and described the speech as remarkable to be made by a member of the agricultural committee. He could not find words appropriate to be spoken in this body that would express his utter contempt for such a speech. The Senator knew that 99 out of every 100 people living west of Chicago desired the bill, and desired it as it came from the committee, but it had been mutilated and murdered by Eastern men.

Teller spoke of the substitute as having been offered and voted for out of a spirit of hostility.

The bill was then laid aside informally. When taken up again the first vote will be on reconsidering the vote adopting the Edmunds substitute.

The President of the Senate laid before the Senate the Pacific Railway investigation resolution.

A RECESS

was taken until 8 o'clock, when the final vote will be taken.

When the Senate reassembled it immediately proceeded to the consideration of the House joint resolution for an investigation of the books of the Pacific railroads with the Senate amendment thereto, in the nature of a substitute.

McPherson moved to strike from the substitute sections 4, 5 and 6.

[These sections confer upon the President certain powers to redeem under certain circumstances, mortgages and liens on the roads paramount to the right, title and interest of the United States; increasing to forty per cent of their net earnings the amount to be paid by the companies into the sinking fund in the first mortgage bonds of the companies.]

McPherson said the forty per cent feature would operate unfairly.

Hoar remarked that it would bankrupt the Union Pacific.

Wilson, of Iowa, suggested that the Senator from New Jersey modify his motion so as to exclude therefrom the fourth section, which confers certain powers upon

THE PRESIDENT.

McPherson acted upon the suggestion and a vote was taken on striking out the fifth and sixth (the sinking fund sections), and they were stricken out—yeas 26, nays 14, as follows:

Yeas—Allison, Blair, Cheney, Colquitt, Dawes, Dolph, Everts, Farwell, Frye, Gorman, Gray, Hale, Hoar, McPherson, Mitchell, of Oregon, Mitchell, of Pennsylvania, Morgan, Morrill, Payne, Platte, Ransom, Riddleberger, Sawyer, Sherman, Spooner and Williams—26.

Nays—Beck, Berry, Cockrell, Coke, Cullom, George, Harris, Ingalls, Kennan, McMillan, Vance, Van Wyck, Whitthorne and Wilson—14.

McPherson then moved to strike out the fourth section of the substitute, authorizing the President to redeem prior mortgages.

Wilson, of Iowa, advocated the section and said that it had been fully considered by the judiciary committee, not only at this session but for the last three years.

Butler asked him whether the section contained

AN APPROPRIATION.

Wilson said it did not directly, but it did by implication.

Butler asked how many millions were involved in the first mortgage bonds.

Wilson—"About \$64,000,000."

Butler—"So that amount might be necessary to remove these liens."

Wilson—"It might be necessary to use that amount of money, less the amount in the sinking fund."

Dawes asked Wilson whether he would add to the section the words "and the amount necessary is hereby appropriated."

Wilson—"I have no objections."

Dawes—"Is there any precedent for an appropriation by implication of such an enormous sum of money?"

Wilson said he had no disposition to discuss the matter. If it was thought that the resolution was not sufficiently explicit, it could be amended.

McPherson said that if it was the desire (as it seemed to be) of the Senators to retain this section, he was willing to

WITHDRAW HIS MOTION.

Mr. Sherman said that in his judgment the fourth section ought not to be in the bill; first, because it was wrong in principle, in the fact that it conferred enormous powers on the President of the United States ten years in advance of the exercise of such powers. There could be no default in the principal of these first mortgage bonds till 1897 (on the average). The section was a mere *brutum fulmen*, except that it conferred (nominally at least) a very dangerous power long years in advance of its exercise. As to the suggestion that the companies might default in their interest, such a thing was not conceivable. The interest was paid (and would be paid) as promptly as the interest on the United States bonds. Such an idea has never occurred to the mind of mortal man, because back of the first mortgage securities there was an immense interest amount-

ing to \$130,000,000 to \$140,000,000 standing behind them. Therefore the contingency of a failure to pay interest, or to pay the principal on maturity, was a thing not to be thought of for at least ten years. Such a suggestion, put into a

LAW OF CONGRESS

was a mere attempt to "bear" down the first mortgage bonds. The section therefore should not be in the bill, and he hoped that the senator from New Jersey would adhere to his motion to strike it out.

McPherson—"I will adhere to the motion. I prefer to have it stricken out."

Sherman said he had not read the bill carefully until to-day, and he had to confess that on the whole (with some qualifications) the House resolutions covered all that was requisite in the matter. He thought the rate fixed in the Senate bill for the compensation of commissioners (\$750 a month) was too high. The effect of it was likely to be a prolonging of the investigation. The amount fixed by the House (\$3000 a year) was probably too small; he thought that \$5000 a year would be nearer the right sum. He hoped the Senate would strike out the fourth section, as entirely unnecessary. If the railroad companies should ever default on the interest or the principal of their bonds, Congress would be able to protect the government. The

COMMON LAW RIGHT

of subrogation existed and the government could (even without this act) assert its right to be subrogated in the place of the first mortgage bonds. There was no necessity, therefore, for such legislation. It was a threat against the railroad companies. It did no good, but only evil. Hoar contended that the compensation proposed in the Senate bill for commissioners was not too high. He wanted for those officers men of high character who would dissipate all the scandal of blackmailers. The thousand influences which had been directed at the Senate from bull and bear, from anonymous writers in the press from persons with political ends in view, made the history of this measure to his mind, one of the most humiliating in American legislation. It was for the interest of the government to preserve the management of the Union Pacific road, not to send it back to the harpies of the New York stock market, from which Adams had rescued it. He would say of Adams that in the great undertaking in which he had embarked

HIS REPUTATION

he was acting with wisdom and integrity, a sense of duty and a sense of honor, which entitled him to the respect of the American people. If Mr. Adams should succeed in reaching the great road and restoring it to the purpose for which it was chartered, in making it stand free, independent and strong, independent as the American people; if he should succeed in making it stand as the Baltimore & Ohio or the Boston & Albany stand, a simple business institution, managed by its owners, returning a reasonable, honorable, moderate profit, he would have performed a service to the American people which would confer a great lustre even on the great name which, for four generations, had been the chiefest ornament in her history.

Mr. George, in the name of the burdened taxpayers of the country, protested against any further surrender of their rights in behalf of these railroad companies. He did not wish to crush out these roads. He did not want the government to become the owners of the roads. But he wanted the government to

GET ITS MONEY,

and the only way in which it could get its money was to make the companies pay it.

Hoar said there was not a dollar due to the government from the Pacific railroads, and would not be until 1897. What the government did under the Thurman act was to say that under its power it would require the companies to pay into a sinking fund a certain sum of money, so that there would be some preparation for the payment of their debts.

McPherson said that he had been persistent in demanding that the resolution be brought to the attention of the Senate, because the conduct of Congress in the past six months had been most humiliating. Bills had been brought before the Senate and House, seeking for a settlement of the debts of the Pacific railroads, which, if passed, would grant a larger subsidy than had ever before been granted to them. The bill reported by the senator from Massachusetts, known as

"THE FUNDING BILL"

(which, to the Senator's credit, he had withdrawn when he discovered its character), if it had passed the Senate would have sent the Union Pacific stock up fifty points. Now the judiciary committee brought in as an amendment to an investigation resolution an amendment which, if adopted, would have the effect of making the Union Pacific stock fall off fifty per cent. There was no agency on earth so powerful as the judiciary committee to enable the stock jobbers to bull the market on a funding bill and then bear it on an amendment to the pending resolution. In conclusion he commented upon the fact that he thought the investigation would prove that the branch lines of the Union Pacific were being run at the expense of the main line, and predicted that the investigation would disclose a bigger credit moblilier than had existed in the origi-

nal enterprise. He hoped, therefore, that the fourth section would not be stricken out.

Wilson, of Iowa, called the attention of the Senate back to the

REAL QUESTION

—being the motion to strike out the fourth section. It had been stated by Sherman that the effect of the section would be to bear down the value of the first mortgage bonds. He (Wilson) denied that. In his opinion it would only emphasize the payment of the first mortgage bonds. The time to act was not when the danger was at hand, but now.

Vance spoke of the Union Pacific Railroad Company being conceived in sin and brought forth in iniquity. It had sought to get rid of the bad odor attached to it by electing Mr. Adams as its president. It had sought for him in the mugwumpian altitudes where George William Curtis and Carl Schurz were supposed to be sitting on the golden cloud, with harps in their hands, singing songs of purity concerning the new political scenes. But he had read in a Chicago newspaper of Mr. Adams' conduct in reference to certain rolling mills, and as to charging four times the regular freight so as to keep away competition, and it made him think of the negro song—

"And that darkie in the camp-ground,  
Who can loudest sing and shout,  
Is agoin' to rob some hen-roost  
Before the week is out."

STANFORD SAID

That he wanted the investigation to be so thorough that if afterwards Congress should deem it wise to legislate it could do so intelligently. He quoted a communication from the interior department, dated March 6th, 1884, stating in reply to an interrogation, that the Central Pacific had fully and promptly complied with the requirements of the act, also one from the commissioner of railroads dated Aug. 6th, 1885, saying: "So far as this office is advised, said company (the Central Pacific) has fully and promptly complied with all said requirements." He added that since the latter date the company had met all its obligations. There was not a single complaint on the part of the government of a failure on the part of the Central Pacific to comply with every requirement of the law. He would also like the investigation to go to the extent of ascertaining what the government had paid for transportation to the Pacific from 1858 to 1869, when the railroads were completed, so as to form an estimate of

THE ADVANTAGE

which the government had derived from the construction of these roads. He would also like to have a comparison of the costs of the roads with what the cost would have been five years before or five years subsequently. The Central Pacific was commenced in the midst of a war. It received a subsidy bond at a time when they were worth in gold (the money which the company had to use) only forty cents on the dollar. The average was something over sixty cents, so that the interest piling up against the company was really 10 per cent. of the amount of which the company received. The road was built at a time when all material was high, and when as high as \$60 per ton had to be paid for freight on material. The result had been to open the road for the use of the government seven years earlier than the contract required. He would also like an investigation to ascertain whether there had been any legislation calculated to improve the earning capacity of the road. After the road was opened there were

THREE OTHER LINES

subsidized. All these were subjects, it seemed to him, that ought to be taken into consideration. He knew that the Central Pacific Railway Company had never made any contract which permitted its own interests to be harmed. He offered an amendment to the second section requiring the investigation to be also directed to the various points mentioned by him.

Edmunds reviewed with much detail, the question of the debt and net earnings of the Union Pacific Railway company, and remarked that the question between the government and the company was in no way affected by the consideration whether every second stockholder was a widow and all the rest of them orphans. He argued in favor of requiring an increase of the payment of the net earnings from 25 per cent to 40 per cent.

The question then recurred on striking out the fourth section, authorizing the President to

REDEEM MORTGAGES,

and it was decided in the negative—yeas 19, nays 17.

The question was then taken on the amendment offered by Stanford increasing the range of inquiry, and it was agreed to without division.

Edmunds moved to restore the forty per cent. section.

The question was taken on Edmunds' motion to restore the fifth section of the substitute (the forty per cent provision) and it was rejected, yeas 14, nays 27.

Edmunds then moved to restore section six, authorizing the investment of the sinking fund in subsidy bonds or first mortgage bonds. Agreed to—yeas 37, nays 9.

Riddleberger moved to strike out the clause which provides that the claim that the testimony or evidence may tend to criminate a witness shall

not excuse him from testifying. He proceeded to make a violent attack on the bill and to denounce its supporters.

Riddleberger's motion was defeated—yeas 18, nays 25.

Plumb moved to amend by adding several other subjects of inquiry, such as the

RELATION OF THE RAILROADS

to the interests of the communities through which they pass; the payment of taxes especially upon their lands; the delay in taking out patents for land; the rates of freight and fare; discriminations, differentials, pools and other devices. Agreed to *viva voce*.

The substitute was then agreed to and the bill as amended was passed and a conference asked.

Hoar, Everts and Pugh were appointed conferees.

The bill as passed provides for the appointment of three commissioners, with a compensation of \$700 a month, traveling expenses and board bills, with power to examine all books, papers and methods of the Pacific railroad companies. It specifies the various subjects of inquiry and requires the commissioners to report as to the extension of time for the performance of the obligations of the companies to the United States, and to submit a scheme for such extension. It appropriates \$100,000 for the purpose of investigation, and it authorizes the President, if deemed necessary by him, to redeem or otherwise clear off all prior liens, mortgages or other incumbrances, by paying out of the treasury the sums due thereon, on which the government shall be subrogated to all rights of the first mortgagees. The sinking funds in the treasury as security for the indebtedness of the companies, may be invested in subsidy bonds or in first mortgage bonds of the companies.

The Senate then adjourned at 1:55.

WASHINGTON, Feb. 25.—The Speaker laid before the House a message from the President, returning, without his approval, the bill for the relief of the late John Howe. Referred to the committee on claims.

The Speaker also laid before the House a message from the Senate, announcing the passage by that body over the President's veto of the bill for the relief of Thomas H. Hopkins. The bill and President's message were referred to the committee on invalid pensions.

Hatch, of Missouri, asked unanimous consent that the House non-concur in the Senate amendments to the bill creating the department of agriculture and labor.

Morrison objected, and the bill was referred to the committee on agriculture.

On motion of Belmont, of New York, the House insisted on its amendments to the Senate

RETALIATION BILL,

and Belmont, Clements and Rice were appointed conferees.

Hatch, of Missouri, moved to suspend the rules and pass the Senate bill providing for agricultural experiment stations.

Randall, of Pennsylvania, said that during the last six days of the session, the question of recognition for the purpose of moving to suspend the rules was within the discretion of the Speaker. He asked the right of way from members for the appropriation bills, and he hoped the chair would not recognize any gentleman to move the suspension of the rules until these bills had been disposed of.

Hatch suggested that after the reading of the journal it was in order for any member to secure the floor to suspend the rules.

The Speaker stated that during the last six days of the session it was in order for any gentleman to move the suspension of the rules

AT ANY TIME

when he could get the floor for that purpose; the matter of recognition rested entirely in the discretion of the chair; but at this stage of the session the chair thought it to be his duty to give the right of way to appropriation bills, which must be passed in order to avoid an extra session. The chair, therefore, would not enter into the general business of recognition of the motion to suspend the rules till the appropriation bills were disposed of; but the chair having recognized the gentleman from Missouri, the motion of that gentleman was now in order.

The bill was then read. O'Neill, of Missouri, said the House, in its wisdom, had blended the two subjects of agriculture and labor, and the moment the bill was presented with the co-print upon it, it was passed. But when the committee of labor endeavored to secure action upon the bills

RELATING TO LABOR

it was met with objections. He protested against this unfair treatment.

Hatch's motion to suspend the rules and pass the bill was agreed to, 152 to 12.

Burns, of Missouri, from the committee on appropriations, reported the deficiency appropriation bill and it was referred to the committee of the whole.

Townsend, of Illinois, submitted the conference report on the invalid pension appropriation bill, and it was agreed to. The only point of difference were in regard to the provisions for the office of pension agents. As agreed to, the bill appropriates \$200,000 for the rent of such offices, and requires that pub-